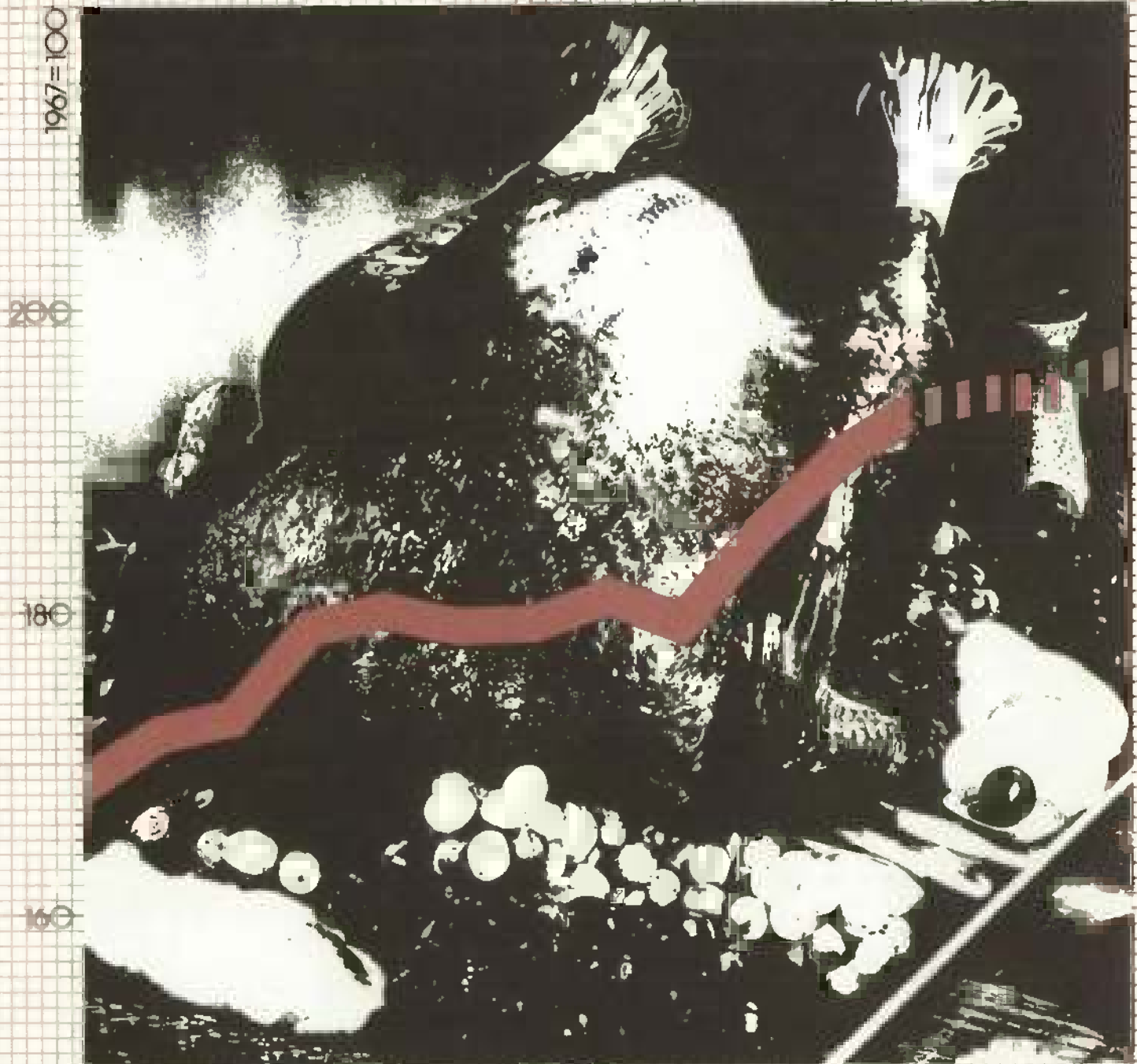


# AGRICULTURAL OUTLOOK

APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD  
UNITED STATES DEPARTMENT OF AGRICULTURE • ECONOMIC RESEARCH SERVICE • AO-28



DECEMBER 1977



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Ample supplies of production inputs such as pesticides and fertilizer will facilitate large output again. Fertilizer application rates are expected to increase, and supply problems are not indicated for either diesel fuel or gasoline. In 1978 rail rates for all commodities are expected to average 6 to 7 percent above 1977—and rising costs of fuel and labor will likely cause barge and truck rates to rise commensurately.

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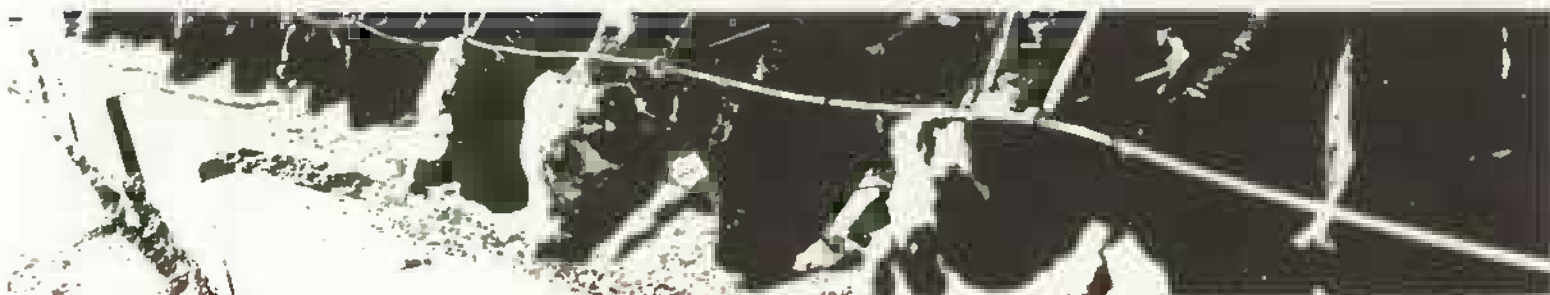
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## Record Farm Output May Moderate Food Prices in 1978

With the harvest nearly complete, attention focuses on the consequences for consumers and farmers of the record crop output and factors shaping the outlook for 1978 crop and livestock production. Consumers are virtually assured of continued abundant supplies of food and other farm products in 1978. As a result, barring adverse weather, the farm value or cost of food will continue the relative stable pattern it has exhibited in the second half of 1977, with only small increases well into 1978. However, marketing and distribution costs will continue to increase in 1978, and this—coupled with the usual uncertainty over weather—suggests that grocery store prices may average 4 to 6 percent above the average for 1977. Prices of imported foods, which accounted for most of the food price increase in 1977, are expected to make little contribution to the rise in 1978.

Foreign markets for U.S. farm products are expected to remain strong, with export volume running about a tenth above fiscal 1977. World grain output for the 1977/78 crop year is below last year, while total world usage will be higher because of population increases and economic growth. The value of exports may run moderately below the record \$24 billion of fiscal 1977, with export prices averaging lower.

As in other years, U.S. exports will dominate many world markets—with U.S. wheat accounting for 40 percent of world wheat trade, U.S. feed grains for about 60 percent of the total, and U.S. soybean exports capturing about half of world soybean trade.

Farmers appear to be facing another year of relatively low prices and incomes. While grain prices have strengthened in recent weeks with stronger export markets and increased movement of grain under loan, grain prices for the 1977/78 season may average around support levels. However, government deficiency payments and loan programs will boost incomes in 1978, particularly for wheat and sugar producers.

For many livestock producers, net incomes should improve in the coming year if expected favorable feeding margins are realized.

### Large Crop Production Possible Again in 1978

Barring major bad weather, crop output should be large again, although some decline in acreage of wheat and feed grains is expected as a result of the new farm program.

While a 20-percent set-aside on 1978 wheat harvested for grain has been announced, wheat acreage in 1978 may be down roughly a tenth because there likely will be some growers who will not participate in the program. But in view of current good moisture conditions and barring unfavorable weather developments, the crop next year probably will be down considerably less than the reduction in acreage—perhaps around half the decrease in acreage.

Smaller production of corn, barley, and sorghum also is likely if farmers decide to participate in the recently announced land set-aside program. It is estimated that this program could result in a 3-percent reduction in U.S. production. However, the government has the option of withdrawing the program before spring planting after reviewing the world grain situation early next year.

While acreage may be cut in 1978, production inputs such as pesticides and fertilizer are expected to be in ample supply and should therefore contribute to large crop output. Fertilizer application rates are expected to increase on acres planted and no supply problems are indicated for either diesel fuel or gasoline for the coming year.

### Continued Large Supplies Of Livestock Products Likely

Production of livestock products will likely remain large in 1978 as relatively low feed costs help encourage expanded production of fed beef, pork, poultry, and milk.

The supply/demand situation is expected to result in lower hog and poultry prices than this year, while cattle prices may strengthen with reduced supplies of grass-fed beef more than offsetting the increase in fed beef production. Even with heavy supplies, farm milk prices are expected to average higher in 1978 due to higher support prices.

As a result of favorable feeding margins, fed cattle marketings for 1978 could be 4 to 6 percent higher than this year. However, total commercial cattle slaughter for 1978 is expected to be 5 to 7 percent lower than this year because of a large reduction in non-fed beef slaughter. Next year's total beef production may be only 2 to 4 percent lower than in 1977 because fed cattle will account for a higher proportion of output and average weights are expected to be higher.

Continuing large supplies of beef, plus large supplies of competing meats, are dampening the prospects for a substantial rise in cattle prices for 1978. However, the annual average price of Choice slaughter steers at Omaha could be \$1 to \$4 higher than 1977's average of about \$40 per hundredweight.

Commercial pork production is expected to jump 10 percent or more in 1978. These large pork supplies will probably result in lower market hog prices. An annual average of \$31 to \$34 per hundredweight for barrows and gilts at seven markets is likely, compared with about \$40 per hundredweight in 1977.

In response to low feed costs, both broiler and turkey producers are expected to expand output again in 1978. Combined broiler and turkey production may show an increase of 4 to 6 percent. Milk production, which increased strongly in 1977, is expected to continue to rise in 1978. Production likely will show an increase of 1 to 2 percent.



**USDA's Economic Research Service** publishes a number of statistical supplements, handbooks, and other periodicals which may be of interest to Agricultural Outlook readers. A brief description of several of these reports and their contents follows:

**Agricultural Finance Outlook**, issued annually in December. Reviews the financial condition of farm operators by regions and presents forecasts of loans, incomes, and other financial measures for the next year.

**Agricultural Finance Review**, annually reviews developments and research findings in agricultural finance and related topics. Signed articles report on issues related to farm and rural credit, financial management, insurance, income, agribusiness and financial institutions, rural government, taxation, and rural development. Includes book reviews.

**Agricultural Finance Statistics**, annual. A reference book of data pertaining to, or related to, the financing of U.S. agriculture.

**Balance Sheet of the Farming Sector**, biannual, usually issued in April and September. As of January 1, views the farm sector of agriculture as one large enterprise, and brings together individual series of farm assets and claims to those assets. Includes the value of farm assets owned, and farm debt owned, by landlords.

**Farm Real Estate Market Developments**, annual in midsummer, with one supplement in midwinter and a second, as needed, in midspring. Summarizes trends in farmland values, volume of sales, financing of farm purchases, and factors affecting the land market. Includes index numbers of estimated average value per acre by State.

**Farm Real Estate Taxes**, annual. Reports, for States and regions, taxes levied on farm real estate, taxes levied per acre, index numbers of amount of tax per acre, the amount of tax per \$100 of full land value, taxes levied on farm real estate as a percentage of net and gross farm income, and taxes levied on farm real estate as a percentage of total personal income of farm population.

**Changes in Farm Production and Efficiency**, annual. Provides the latest information for appraising changes in production, changes in farm inputs and practices, improvements in labor productivity, and progress in farm mechanization. Data for the 10 farm production regions, formerly published as supplements to this publication have been incorporated.

**Farm Costs, Returns, and Efficiency Reports**, compare costs and returns for major types of farming, and measure U.S. farm production and efficiency and livestock-feed cost relationships.

If you are interested in any of the above reports, write to: Publications Unit, ERS-Information, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

## KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

Item	1975	1976			1977				1978		
	Annual	III	IV	Annual	I	II	III	IV	Annual	I	II
Forecast											
Prices received by farmers (1967=100) . . . . .	185	189	176	186	187	190	176	176	182	176	178
Livestock and products (1967=100) . . . . .	172	175	165	177	172	174	178	176	175	174	176
Crops (1967=100) . . . . .	201	206	190	197	204	208	174	178	191	179	182
Prices paid by farmers, all items (1967=100) . . . . .	180	193	192	192	200	204	202	202	202	207	210
Production items (1967=100) <sup>1</sup> . . . . .	187	201	198	199	207	211	207	206	208	212	215
Farm production (1967=100) . . . . .	114	—	—	117	—	—	—	—	121	—	—
Livestock and products (1967=100) . . . . .	101	—	—	106	—	—	—	—	108	—	—
Crops (1967=100) . . . . .	121	—	—	122	—	—	—	—	128	—	—
Farm income: <sup>2</sup>											
Cash receipts (\$ bil.) . . . . .	88.1	91.5	92.4	94.3	95.9	99.0	88.5	93.9	94.3	—	—
Livestock (\$ bil.) . . . . .	43.0	45.5	45.4	46.4	45.3	48.0	47.0	48.9	47.3	—	—
Crops (\$ bil.) . . . . .	45.1	46.0	47.0	47.9	50.6	51.0	41.5	45.0	47.0	—	—
Realized gross farm income (\$ bil.) . . . . .	96.7	100.9	101.9	103.6	105.6	108.8	98.7	109.0	105.5	—	—
Production expenses (\$ bil.) . . . . .	75.9	82.3	81.2	81.7	83.1	87.1	82.5	89.5	85.5	—	—
Farmers' realized net income (\$ bil.) . . . . .	20.8	18.6	20.7	21.9	22.5	21.7	16.2	19.5	20.0	—	—
Farmers' total net income (\$ bil.) <sup>3</sup> . . . . .	24.3	17.6	18.0	20.0	22.0	21.0	16.7	19.4	19.8	—	—
Market basket: <sup>4</sup>											
Retail cost (\$) . . . . .	1,876	1,902	1,875	1,895	1,913	1,932	1,948	1,963	1,939	1,973	1,996
Farm value (\$) . . . . .	784	748	709	749	741	749	754	744	747	738	751
Spread (\$) . . . . .	1,092	1,154	1,166	1,146	1,172	1,183	1,195	1,218	1,192	1,235	1,245
Farm share (%) . . . . .	42	39	38	40	39	39	39	38	39	37	38
Retail prices:											
Food (1967=100) . . . . .	175.4	182.0	181.5	180.8	186.6	192.1	194.8	196	192	196	198
At home (1967=100) . . . . .	175.8	180.6	179.3	179.5	184.8	190.3	192.7	193	190	192	195
Away-from-home (1967=100) . . . . .	174.3	187.8	190.1	186.1	193.7	199.1	202.8	205	200	208	212
Per capita food use (1967=100) . . . . .	102.1	—	—	105.4	—	—	—	—	104.9	—	—
Animal-products (1967=100) . . . . .	100.1	104.5	107.5	104.2	102.5	102.3	103.7	106.7	104.3	103.6	103.2
Crop-products (1967=100) . . . . .	104.6	—	—	106.9	—	—	—	—	105.6	—	—
Agricultural exports (\$ bil.) <sup>5</sup> . . . . .	21.9	5.6	5.4	22.8	6.5	6.2	6.3	5.0	24.0	—	—
Agricultural imports (\$ bil.) <sup>6</sup> . . . . .	9.5	2.8	2.8	10.5	2.9	3.6	3.9	3.1	13.4	—	—

<sup>1</sup> Including interest, wages, and taxes. <sup>2</sup> Quarterly data are seasonally adjusted at annual rates. <sup>3</sup> Includes net change in farm inventories. <sup>4</sup> Quarterly data are given at annual rates. <sup>5</sup> Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarterly data may not add to annuals due to rounding.

<sup>6</sup> Quarterly data include fish products.



## Food and Marketing

Average increases in grocery store food prices will likely be in the neighborhood of less than 2 percent each quarter through mid-1978, reflecting normal seasonal patterns for farm prices and continued upward push from marketing costs. The average increase in grocery store food prices for all of 1978 is forecast to be 4 to 6 percent.

Of the three basic sources that contribute to changes in retail food prices—the raw product sector, the marketing sector, and the forces of consumer demand—it appears that most of the pressure on food prices in 1978 will be derived from increased costs in the marketing sector. Prices of imported foods and fish, which contributed heavily to the food price rise in 1977, are expected to contribute little to the increase in prices in 1978.

As in recent years, the farm value of domestically produced foods will be relatively stable, meaning the farm sector will continue to retard retail food cost increases and general price inflation.

When food supplies are abundant but food prices continue to rise, the issue arises as to the relationship between farm and food prices. Farm prices and food prices are generated in different markets, subject to different supply and demand forces. Farm prices of raw agricultural products are

largely influenced by what is produced, both on U.S. farms and worldwide. What gets produced at the farm level is heavily dependent upon rather unpredictable natural forces such as the weather, pest infestations or plant and animal diseases.

The markets in which food is sold operate quite differently. Processors purchase raw agricultural products at prices determined largely by relative product availability. They then add processing, transportation, and packaging services and ultimately sell a differentiated food product to wholesalers and/or retailers. Wholesalers and retailers, although they may make fewer physical changes in the product form, add still more services. Clearly, there is reason for some difference in movements between farm prices and prices for food since food prices reflect *both* the costs for the raw farm product and the costs involved in providing marketing services.

Consumer demand plays a key, but often neglected, role in the widening farm to retail price spread. As income increases, the consumer demand for food system services can be expected to increase at a faster rate than the demand for farm output. As services become more important relative to the total product sold, the farm level price for the basic raw ingredient becomes less important. In addition, there is a rather loosely defined biological constraint on how much food people will ingest. Thus, the food marketing system has a strong incentive to increase the service component of the products sold.

### Recap of 1977

Retail food prices, which were relatively stable in 1976, began to climb early in 1977. Through July, an average rise of 1 percent per month had occurred. Winter vegetables and citrus were contributors, but most of the increase resulted from the dramatic increases in prices of fish and imported foods, particularly coffee. By mid-1977, prices for food at home were up 7½ percent from December with the all-food index, which includes prices of food away from home, up 7.2 percent.

Since midyear larger supplies of farm commodities with lower prices to farmers, but wider price spreads for U.S. farm food, have resulted in little change in prices of domestically produced food. Coffee prices have come down 7 to 8 percent, but prices of other imported foods and fish continued to increase in the second half. It is estimated that prices for food at home will be about 1 percent higher at the end of December than at midyear; prices for all food will be slightly higher.

For 1977, grocery prices will probably end the year at a 7 percent higher level than a year earlier and average over the whole year about 6 percent above 1976.

Price increases for away-from-home eating, which are influenced more by rising consumer demand and by increases in costs in the nonfarm sector, are estimated to be up 8 percent over 1976 on the average—a slightly larger increase than a year ago.

The all-food index combining both-at-home and away-from-home components will average about 6½ percent above 1976.

A quite different perspective on the behavior of retail food prices in 1977 is obtained by an examination of a market basket of domestically produced food. The market basket contains 65 domestically produced food items. It does not include food consumers buy in away-from-home eating establishments, fishery products, and imported foods such as coffee, tea, cocoa, and bananas.

The retail cost of the market basket of U.S. farm foods will average only about 2½ percent higher this year following the 1-percent rise in 1976. Although prices at the farm level have been higher for some commodities, average returns to farmers for all market basket foods will be slightly lower than last year. Price spreads—the difference between what the farmer receives and what the consumer pays—will, however, average about 4½ percent higher for the year, reflecting lags in adjustments between farm and retail prices and rising costs for labor and other marketing related inputs. Thus, all of the 1977 increase in the retail cost of the market basket of foods arises from wider price spreads, which reflect higher marketing charges.

Inflationary forces continue to boost food marketing charges. The total cost for marketing farm foods is estimated at \$124 billion this year, up \$8 billion from 1976. Prices for labor, packaging, energy, and most

other inputs used in the marketing process are all up in 1977. A combined price index of intermediate goods and services purchased by food marketing firms will average about 7½ percent higher than a year earlier. Prices for packaging materials have increased about 6 percent, while prices for energy are up about 20 percent. Rail rates are also somewhat higher than last year.

The largest expense item for food marketing firms in 1977 will be direct labor costs. Increases in hourly earnings of employees working in food processing, wholesaling, and retailing slowed slightly to an annual rate of around 8 percent. Although this is the lowest annual rate of increase in 4 years, it exceeds productivity gains, and therefore labor costs continue to exert substantial upward pressure on farm to retail price spreads. Total labor costs for marketing the foods which originate on U.S. farms will actually exceed the farm value of these foods for the first time in 1977. Labor costs could exceed \$58 billion. The farm value will likely remain at about \$56 billion—a level maintained since 1974.

Profits in food retailing have been relatively stable during the past year. Profits after taxes for large food retailing corporations in the first half of this year averaged 0.85 percent of total sales, compared with 0.80 percent last year. Similarly, returns on stockholders' equity increased from 10.2 percent to 11.1 percent.

Profit ratios for food manufacturers declined slightly during the first half of this year. Second quarter profits after taxes were 3½ percent of sales compared with 3.7 percent a year ago. Returns on equity were also lower—15.0 percent compared with 16.4 percent.

### Outlook for 1978

With record large feed supplies available and feed prices at relatively low levels, larger supplies of pork, grain-fed beef, poultry, eggs, and dairy products are anticipated next year. Although total beef output may be down slightly (if, as expected, cattle producers reduce the number of nonfed animals sent to slaughter), the per capita availability of all animal food products combined will match or slightly exceed the record-high levels of 1976 and 1977.

The supply of processed fruits and vegetables are also expected to be adequate through mid-1978, largely as a result of this year's large production. The availability of many fresh product items will be dependent on weather conditions at critical times during the growing season.

Rising wages of food processing and marketing employees and prices of other inputs purchased by food marketing firms will continue to exert upward pressure on food prices during 1978. Wages of employees in the food industry will probably increase 7 to 8 percent in 1978 as a result of prior wage settlements, cost-of-living adjustments to wages, renegotiated wage agreements, and increases in the minimum wage to \$2.65 an hour.

In 1978, major collective bargaining agreements, covering about a quarter million food marketing workers, mostly retail food store employees, will expire. Although only one worker in nine is included in major collective bargaining agreements, these agreements have potentially far-reaching effects on the food industry since wages of non-union and management employees tend to follow changes in collective bargaining agreements.

Labor productivity should continue to increase slightly next year due to the greater volume of food marketed, and should help offset increases in wages and other cost elements. Productivity gains are likely to be greater in food processing than in food retailing. Productivity growth in food stores has been slowed in recent years by a loss of business to eating places, longer hours of operation, and the growth of service-oriented operations in supermarkets, such as bakery shops and delicatessens.

Higher prices for other services, such as energy, packaging materials, and transportation will also contribute to rising marketing costs in 1978. The stable railroad freight rate situation for both food products and farm products that prevailed for much of 1977 ended this fall. Rail rates during 1978 are expected to average 6 to 7 percent above 1977 levels. Rates charged by trucks and barges are also anticipated to rise commensurately.

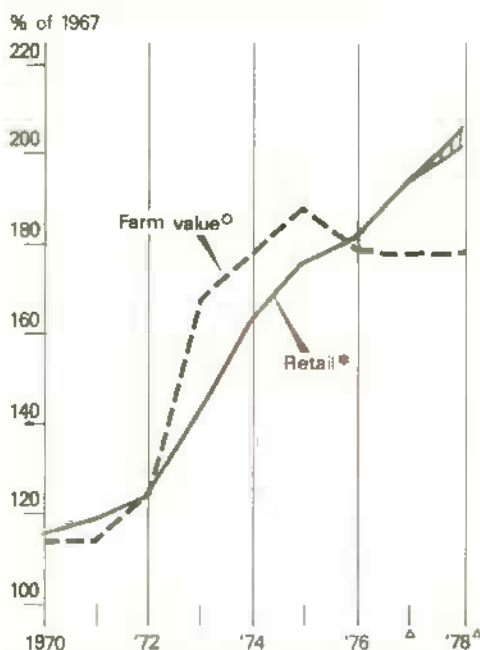
Pending legislation and international oil prices introduce considerable uncertainty into the energy situation. However, it appears almost certain that the general upward trend in these prices will continue in 1978. Increases in natural gas prices of 10 to 20 percent may result from proposed changes in the regulation of prices. Electric power rates can be expected to increase because of the cost of the required conversion of many steam-generating plants from fuel oil and natural gas to coal. The generally rising prices for all forms of energy will also exert some upward pressure on electric power rates.

Domestic demand for food is expected to continue to expand in 1978 at about the same rate as this year. In addition to the anticipated small increases in the population, disposable personal income is expected to increase about 9 percent, nearly identical to the 1977 increase. The overall inflation rate is likely to be about the same as in 1977. Real consumer income, therefore, would increase by about 3 percent. However, demand expansion for automobiles, housing, and services will continue to absorb most of the overall increase in consumer income, thus moderating its impact on food demand and prices.

Producer response to new farm legislation and recent international trade developments represent uncertainties which could impact on food prices in 1978 even if weather is good. There is, however, little doubt that the recently adopted sugar program will influence U.S. food prices.

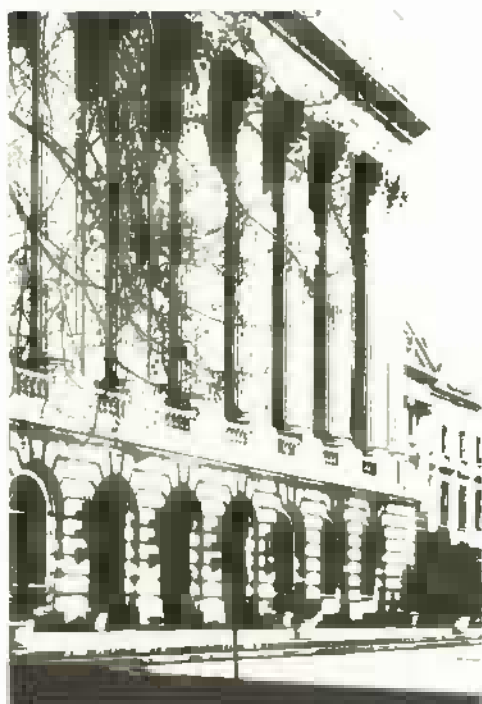
Anticipated developments in the regulation of food safety and composition will also bring about changes in food marketing costs. Saccharin appears to be on the way out—after 18 more months—as a food additive creating adjustment problems for consumers, as well as food manufacturers. The use of antibiotics and growth stimulants by livestock and poultry producers is being questioned and may be prohibited. (Based on "The Economic Outlook for Food," a talk by Kenneth Farrell at the 1978 Food and Agricultural Outlook Conference).

### RETAIL FOOD PRICES HIGHER BUT FARM VALUE TO HOLD EVEN



\* All foods, Bureau of Labor Statistics. ▲ Forecast.  
○ Prices received by farmers for market basket of farm foods.





## Policy Developments

USDA recently announced a feed grain set-aside plan as well as a sugar loan program for next year. Income assistance in the form of deficiency payments and increased disaster payments for 1977 are on the way. Bulging wheat supplies and a possible storage problem precipitated a shortening of the maturity period for Commodity Credit Corporation (CCC) loans.

### Feed Grain Set-Aside Announced

On November 15, Acting Secretary of Agriculture John White announced a conditional 10 percent set-aside for the 1978 feed grain program which includes corn, sorghum, and barley. Oats are not included. Department officials plan to review the world and domestic coarse grain situation again early next year to determine the feasibility of the set-aside.

The Department cited record 1977 U.S. coarse grain production, rising domestic and world stocks, and depressed farm prices among reasons for the decision. It is estimated that the set-aside may reduce U.S. coarse grain production by 3 percent or 7 million metric tons, and domestic stocks by 4 million tons. Food prices are not expected to be materially affected.

USDA also announced national program acreages of 67.6 million for corn, 13.7 million for sorghum, and 7.4 million for barley. Participation is voluntary and would require producers to "set aside" one acre for every 10 acres of program crops planted for harvest in 1978. Feed grain producers that choose not to participate will not be eligible for price support loans, disaster payments, or deficiency (target price) payments on feed grain, wheat, rice, or upland cotton crops.

Producers who meet the set-aside requirements and also voluntarily reduce their corn and sorghum acreage by 5 percent, and barley acreage by 20 percent, are guaranteed target price protection on all their feed grain planted acreage. These percentages are based on 1977 planted acreage.

Farmers who meet the set-aside requirements but do not reduce their feed grain plantings from 1977 levels by the specified percentages will be eligible for target price protection on at least 80 percent of their planted acreage, and perhaps more, depending on the allocation factor. Deficiency payments for such participants will be calculated by multiplying the deficiency payment rate times the normal yield established for their farm times their planted acreage times the allocation factor. The allocation factor is determined by dividing the national program acreage by the national harvested acreage. According to the 1977 Act, however, eligible producers are assured of deficiency payment protection on no less than 80 percent of their planted acreage, and no more than 100 percent.

### WHEAT UNDER LOAN<sup>1</sup>

	1975 <sup>1</sup>	1976 <sup>1</sup>	1977 <sup>1</sup>
	Mil. bu.		
June .....	( <sup>2</sup> )	1	45
July .....	12	8	187
August .....	13	22	326
September .....	14	43	401
October .....	19	80	426
November .....	20	145	
December .....	31	221	
January .....	35	264	
February .....	32	285	
March .....	27	315	
April .....	24	325	
May .....	21	413	

<sup>1</sup> Cumulative. <sup>2</sup> Less than 500,000 bu.

### Deficiency Payments Begin

Considerable income assistance will accrue to wheat producers this year in the form of deficiency payments, their first since the target price concept surfaced in the 1973 Act. Secretary Bergland reported that an estimated \$1.2 billion in 1977 crop deficiency payments will be forthcoming to wheat producers beginning in early December. Kansas, the leading wheat State, will collect about 20 percent of the total, or about \$255 million. North Dakota will receive about 13 percent (\$156 million), and Nebraska approximately 10 percent (\$122 million).

### Limits on Disaster Payments Abolished

Another form of income assistance to grain producers derives from increased disaster payments for 1977 crops. The 1973 Act limited annual wheat, feed grain, and cotton program payments to \$20,000 per farmer. Rice program payments were limited to \$55,000 by the Rice Act of 1975. Both restrictions included disaster payments. Under the 1977 Act the payment limitation for the 1978 wheat, feed grain, and upland cotton crops rose to \$40,000, fell to \$52,250 for rice, and excluded disaster payments.

Congress recently passed legislation (H.R. 9090, signed by the President) exempting disaster payments for 1977 wheat, feed grain, upland cotton, and rice crops from the \$20,000 limit. The USDA and Congressional Budget Office estimate the effect will be an additional \$25-30 million in government disaster payments on 1977 crops.

### Loan Activity Accelerates

In early November the CCC had loans outstanding on 9.6 million metric tons of wheat and 2.56 million tons of corn from the 1976 crops. Outstanding loans on the 1977 crops included 11.5 million tons of wheat and 4.8 million tons of corn. Thus, about one-third of the October 1 wheat and corn stocks were under CCC loans at the beginning of November.

Anticipating the possibility of inadequate storage facilities in rural areas for the 1978 harvest, CCC began issuing 9-month loans in November on 1977 crop grains and soybeans. Reducing the maturity period increases the number of loans expiring before the feed grain and soybean harvest

next fall, thus allowing 1977 crops to be moved from farm and country warehouse storage earlier to accommodate the 1978 crops. Previously, such loans had been drawn on an 11-month anniversary basis. Producers already holding an 11-month loan on their 1977 crop may convert to a 9-month period. Cecil Davison, (202) 447-8840.

### **Sugar Loan Program Launched**

On November 8 Secretary of Agriculture Bob Bergland announced regulations for the 1977 crop sugar loan program required by the Food and Agriculture Act of 1977. Under the new program the CCC will offer sugar processors loans of 14.24 cents per pound on refined beet sugar and 13.50 cents on cane sugar (raw value).

To qualify, processors must pay producers at least \$22.84 per ton for average quality sugar beets and \$17.48 for average quality sugar cane. To be eligible for these price supports, producers must pay their employees at least the minimum wage rates for sugarbeet and sugarcane fieldworkers. The Department solicited public comments in order to establish minimum wages that would be "fair" to workers and "reasonable" to producers. These wage rates will be announced in the near future.

Other provisions of the loan program are shaping up as follows:

1. Loans may be obtained on refined beet sugar, raw cane sugar, cane sirup, and edible molasses made from 1977 crop sugarbeets and sugarcane produced in compliance with the minimum wage requirements.
2. Sugar used as loan collateral must be in processor-owned or leased storage and must not have been reported as marketed under the interim payments program.
3. Loans will normally mature on the last day of the eleventh month following the month of disbursement; however, the CCC may shorten the maturity period.
4. A processor may redeem a loan any time before the maturity date, whereon he must either repay the loan plus interest (currently 6 percent), or deliver the commodity to CCC.
5. CCC may direct delivery to another facility or accept it in the processor's storage. In the latter case, the processor must retain the commodity in storage for CCC monthly payments of not more than \$1.666 per ton until directed to deliver it elsewhere.

To protect the new price support program, the President, under the authority of Section 22 of the Agricultural Adjustment Act of 1933, imposed fees of up to 3.32 cents per pound on imported sugar. Effective the same date, November 11, he also raised the duty on imported sugar from 1.875 cents per pound to 2.8125 on 96 degree sugar. Estimates indicate the combination of the price support program, duty, and fee actions should increase retail sugar prices, which currently average 21-22 cents per pound, to around 25 cents.

### **New York Sugar Spot Price Quotation Suspended**

Following suspension of reporting daily spot raw sugar prices (contracts No. 11 and No. 12) by the New York Coffee and Sugar Exchange, the trade and the USDA are endeavoring to find an acceptable alternative pricing basis. The Exchange ceased reporting raw sugar prices after a suit was filed by the U.S. Justice Department alleging the Exchange and others conspired to cause its spot quotations to be set on a subjective basis leading to an unreasonable restraint of trade.

Some of the problems created by the suspension of reporting spot prices are as follows:

1. Many sales contracts specify that the transaction price will be the New York or world spot price at time of delivery.
2. Operators buying and selling raw sugar based on the tone of spot prices will find it more difficult to agree with sellers or buyers on the actual market price.
3. Florida, Louisiana, and Texas cane sugar processors settle with their growers on the basis of the U.S. spot price at the time of delivery or average spot price during a specific period of time.
4. Hawaii ships an estimated 200,000-250,000 tons of raw cane sugar annually to the U.S. mainland to be refined by non-Hawaiian companies, with settlement prices tied to the raw spot price. Also, the annual marketing of about 800,000 tons of Hawaiian grown refined cane sugar is tied to the raw spot price via a markup.

5. The new U.S. price support program seeks to support U.S. prices at no less than 13.5 cents per pound, New York spot raw basis.

6. Prices which are to trigger the imposition and suspension of quotas and regulate the release of stocks in the next International Sugar Agreement were to be based on the average of the daily New York Spot price and the London spot price.

This list is by no means inclusive. It does, however, indicate that a substitute measure of the current or cash value of sugar must be found. At present, the U.S. Department of Agriculture is seeking a solution to the problem, as are members of the Exchange, and the trade. Fred Gray, (202) 447-7291.

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### **New Milk Marketing Year Established . . .**

USDA announced in late September that the support price for manufacturing milk will remain at \$9.00 per hundred-weight (82.3 percent of parity) for the new marketing year beginning Oct. 1. The announced price is for milk with a milkfat content of 3.67 percent—the national average. The equivalent support price for 3.5 percent milkfat content is \$8.79. This action was taken as a result of a midyear review of the dairy price support program which included a public comment period.

The Secretary of Agriculture also announced that the milk marketing year will be changed to Oct. 1-Sept. 30, the first change since 1950 when the April 1-March 31 marketing year was established. The change will enable the Secretary to make decisions regarding milk price support when more complete information on prospective feed supplies and prices is available for a full year ahead and should allow dairy producers to make better production decisions as they move into the more expensive barn-feeding season.





## Recent Publications

Below is a list of selected USDA publications, listed by subject area, which may be of interest to our readers. To order reports you will need to write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. Be sure when ordering to list the publication number and provide your zipcode.

### ERS Reports:

The publication order form provided on the inside back cover shows the publication numbers for ERS reports listed below. Simply circle those you would like to receive and mail to ERS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250

### FAS Reports:

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250

### State Reports:

Publications issued by a State Crop and Livestock Reporting Service may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

### New report listings, by subject matter:

#### Cotton

U.S. Cotton Exports by Customs Districts. FC 19-77 (FAS)

U.S. Cotton Exports Continue To Decline in August. FC 20-77 (FAS)

#### Grains

Australian Feed Grain Demand. FAER-140 (ERS)

World Grain Situation: 1977/78 Crop and Trade Development. FG 21-77 (FAS)

#### Housing

Population Change and Metro-Nonmetro Housing Quality Differences. AER-388 (ERS)

#### Livestock

U.S. Customs Service Data on Meat Imports—September 1977. FLM MT 20-77 (FAS)

U.S. Exports of Livestock Products Up Again in August. FLM MT 19-77 (FAS)

#### Marketing

Cost Components of Farm-Retail Price Spreads. AER-391 (ERS)

#### Milk

Geographic Structure of Milk Prices, 1975. AER-387 (ERS)

World Milk Output Up for 1977, Dairy Stocks Burdensome. FD 4-77 (FAS)

#### Nuts

World Almond Crop Dips, Filbert Output Recovers. FN 3-77 (FAS)

#### Oilseeds and Products

Exports of U.S. Oilseeds and Products Continue Decline, Palm and Coconut Oil Imports Up Marginally. FOP 21-77 (FAS)

World Fishmeal Production and Exports Down in 1977, Little Recovery Seen in 1978. FOP 20-77 (FAS)

World Production and Trade of Peanut Oil and Meal. FOP 19-77 (FAS)

#### Policy

Commodity Program Provisions Under the Food and Agriculture Act of 1977. AER-389 (ERS)

#### Population

Population Change and Metro-Nonmetro Housing Quality Differences. AER-388 (ERS)

#### State Reports

Florida Agricultural Statistics—Citrus Maturity and Yield Tests, 1968-69 Through 1976-77. (Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida, 32803)

Florida Agricultural Statistics—Livestock Summary, 1976. (Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida, 32803)

Oklahoma Agricultural Statistics, 1976. (Oklahoma Crop and Livestock Reporting Service, P.O. Box 1095, Oklahoma City, Oklahoma, 73101)

#### Statistics

1977 Handbook of Agricultural Charts. AH-524 (ERS)

#### Sugar and Sweeteners

World Honey Production Down 4 Percent in 1977. FIION 1-77 (FAS)

Report on World Sugar Supply and Demand, 1980 and 1985. (FAS)

#### Tea

World Tea Production Up in 1977. FTEA 3-77 (FAS)

#### Tobacco

World Tobacco Prices. FT 5-77 (FAS)

#### Vegetables

Bigger Onion Crops in Western Europe, Japanese Crop Down. FVEG 12-77 (FAS)



## World Agriculture and Trade

The projected volume of U.S. agricultural exports has been raised for fiscal 1978<sup>1</sup>, and shipments are now expected to reach about 110 million metric tons, up from 102 million tons in fiscal 1977. Larger wheat and soybean shipments may account for much of the increase, as feed grain, rice, oilmeal, and cotton exports are projected close to 1977 levels.

Lower unit values will be recorded in fiscal 1978 for many commodities. The huge world grain supplies have depressed wheat and feed grain prices, and prices for soybeans, oilmeal, fats and oils, and cotton have fallen from earlier highs. The fiscal 1978 index of export unit prices is expected to average about 15 percent below the index for fiscal 1977. Thus, the total value of U.S. agricultural exports may decline moderately from \$24.0 billion in fiscal 1977.

### Larger Shipments to the USSR Anticipated

The 1977 Soviet grain crop, at 194 million metric tons, is well below both the planned level and last year's 224-million-ton record. As a result, Soviet grain import

requirements for fiscal 1978 are estimated at 20 to 25 million metric tons. U.S. exports of wheat and feed grains to the USSR may total about 15 million metric tons, compared with 6 million tons in fiscal 1977 and 14 million in 1975/76.

During talks earlier this fall in Washington, the United States indicated that purchases of 15 million tons of wheat and corn would be permitted for delivery during 1977/78 under the U.S.-USSR grain agreement without further consultations. As of November 20, reported Soviet grain purchases from the United States total 4.5 million metric tons. If prospects for sharply larger Soviet imports are to be realized, a substantial pickup in the rate of actual shipments to the USSR will be required in coming months.

### Export Value To Drop Sharply To Western Europe and Japan

The value of U.S. agricultural exports (adjusted for transshipments) to *Western Europe* may drop 20 percent in fiscal 1978. Western Europe achieved good harvests, and U.S. exports of feed grains and potatoes will decline in fiscal 1978. However, the demand for high-protein feed is likely to increase because of a more favorable grain-oilseed price ratio, and shipments of soybeans and oilmeal should expand substantially.

Although Western Europe's wheat harvest was near last year's outturn, it is of lower quality due to wet weather at harvest. Thus, slightly larger imports of high-quality U.S. wheat are expected. The volume of U.S. tobacco exports is likely to fall about a tenth in fiscal 1978, with high taxes, anti-smoking campaigns, and increased competition in Western Europe inhibiting the expansion in demand. Shipments of U.S. animal products and fruits are also likely to decline in value.

Lower prices may cause the value of U.S. agricultural exports to *Japan* to fall by more than a tenth in fiscal 1978.

The Japanese livestock industry has continued to expand in 1977 because of profitable conditions evidenced by rising product prices and stable feed prices. U.S. exports of feed grains may increase accordingly, assuming that the United States maintains its share of total feed grain imports. Anticipated higher prices of fishmeal in 1978 will encourage formula feed producers to use even larger quantities of soybean meal and other protein-feed ingredients in their

poultry and hog rations. Thus, Japan will continue to rely heavily upon the United States for both soybeans and soybean meal.

Wheat exports to Japan may increase marginally in fiscal 1978. Increases are also expected for fruits and animal products. Tobacco shipments to Japan could dip marginally. Cotton shipments are expected to dip only slightly, despite the depressed economic conditions of the Japanese textile industry.

### Lower Grain Prices To Offset Larger Volume

Fiscal 1978 U.S. exports of wheat, rice, and feed grains are expected to increase about 8 percent in volume from the 78 million metric tons of fiscal 1977. However, export prices may average a tenth below fiscal 1977.

The 1977/78 world wheat crop is expected to total about 8 percent below the 1976/77 record, with production declines expected in other major exporting countries, the USSR, the PRC, and parts of Europe. World wheat trade is expected to reach a record high in 1977/78, and U.S. exports will recover strongly from the 1976/77 level.

### U.S. AGRICULTURAL EXPORTS: VALUE BY REGION, FISCAL 1976 THROUGH FISCAL 1978

Region <sup>1</sup>	Fiscal 1976	Fiscal 1977	Forecast for fiscal 1978
Billion dollars			
Western Europe . . . . .	7.207	8.609	6.8
European Community . . . . .	5.685	6.830	5.2
Other Western Europe . . . . .	1.522	1.779	1.6
Eastern Europe . . . . .	1.293	.978	1.1
USSR . . . . .	2.047	1.091	1.6
Asia . . . . .	7.433	8.126	7.6
West Asia . . . . .	.823	1.097	1.2
South Asia . . . . .	1.135	.683	.6
Southeast and East Asia (excl. Japan and PRC) . . . . .	2.065	2.467	2.4
Japan . . . . .	3.408	3.878	3.3
PRC . . . . .	.002	.001	.1
Canada . . . . .	1.431	1.586	1.6
North Africa . . . . .	.700	.782	.9
Other Africa . . . . .	.442	.565	.5
Latin America . . . . .	2.090	2.130	1.9
Oceania . . . . .	.117	.146	.1
Total . . . . .	22.760	24.013	22.0

<sup>1</sup> Adjusted for transshipments. Fiscal 1977 data are preliminary.

<sup>1</sup> October 1, 1977 through September 30, 1978.

The 1977/78 world coarse grain crop will be down marginally, but production will again surpass utilization. World trade may dip slightly, and U.S. coarse grain exports are expected to remain near last year's 50 million metric tons.

U.S. rice exports are expected to remain near 2.2 million metric tons in fiscal 1978. Heavy sales are anticipated to the European Community, Iran, Saudi Arabia, the Ivory Coast, and Nigeria.

The value of U.S. exports of oilseeds and products could fall about 20 percent below the \$6.4 billion of fiscal 1977 because U.S. prices of soybeans and oilseed products have dropped so sharply, reflecting larger U.S. availabilities of soybeans, cottonseed, and sunflowerseed. Contributing to the price reduction will be greater production of oilseeds and oilseed products from Brazil, Argentina, and Canada, as well as larger output in some net importing countries, such as the Soviet Union.

U.S. soybean exports are expected to increase about a tenth in volume in fiscal 1978. Exports of oilcake and meal and vegetable oil may slightly increase.

U.S. cotton exports (excluding linters) are expected to total 4.4 million bales in fiscal 1978, compared with 4.3 million a year earlier. A much larger quantity of U.S. cotton is available for export during the new fiscal year, but production in other exporting countries also increased sharply. Turkey and Brazil have already announced export

subsidies, and Greece is considering a subsidy. The Soviet Union and Central America, as well as other exporters, are currently offering cotton well below U.S. prices. With sluggish world demand and large quantities of cotton available from other countries at lower prices, U.S. sales are expected to be slow during the next few months.

During fiscal 1977, much of the growth in export value was provided by animal products, vegetables, sugar, and tobacco. Growth of these exports is likely to slow in fiscal 1978. Exports of animal fat and cattlehide are expected to drop in both volume and price. Several factors will reduce U.S. tobacco exports, including the East Coast dock strike, poorer quality and smaller volume of the 1977 U.S. flue-cured crop, and higher prices and taxes abroad.

### Record-High U.S. Agricultural Imports May Continue

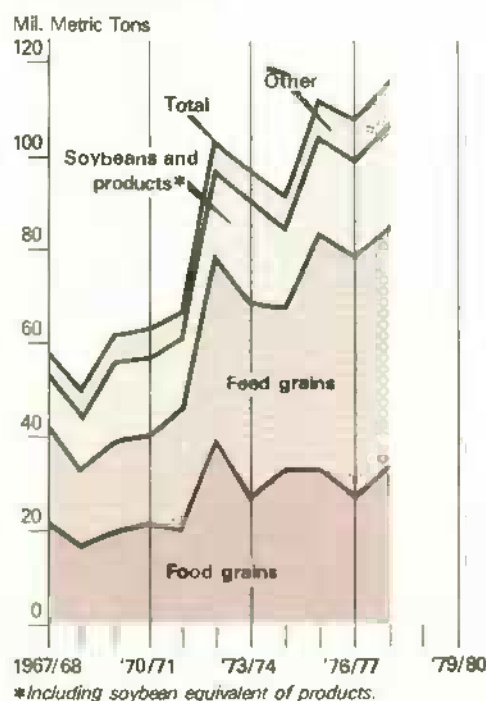
In fiscal 1977, U.S. agricultural imports, valued at \$13.4 billion, were 27 percent above a year earlier. Fiscal 1978 imports may increase slightly to about \$13.5 billion.

Imports of noncompetitive commodities will continue at relatively high levels in fiscal 1978. Coffee, cocoa, and tea are expected to account for about 40 percent of total import value.

The value of imported competitive products should expand slightly in fiscal 1978, with the gain resulting from anticipated increases in wine, meat and meat products, dairy and poultry products, and tobacco.

The U.S. agricultural trade surplus could drop below \$10 billion in fiscal 1978 for the first time since October 1972 through September 1973. *Sally Breedlove Byrne, (202) 447-8261.*

### U.S. AGRICULTURAL EXPORTS STRENGTHENING



### U.S. AGRICULTURAL EXPORTS: VOLUME OF SELECTED COMMODITIES, FISCAL 1976 THROUGH FISCAL 1978

Commodity	Fiscal 1976	Fiscal 1977	Forecast for fiscal 1978
Million metric tons			
Wheat and flour . . . . .	30.611	24.723	31.0
Feed grains . . . . .	49.855	50.602	50.4
Rice . . . . .	1.953	2.229	2.2
Soybeans . . . . .	15.050	15.156	16.6
Vegetable oils . . . . .	.888	1.142	1.1
Oilcake and meal . . . . .	4.870	4.336	4.4
Cotton, including linters . . . . .	.770	1.033	1.0
Tobacco . . . . .	.273	.296	.3
Fresh fruit . . . . .	1.372	1.345	1.5
Animal fats . . . . .	1.026	1.379	1.2
Total of selected commodities . . . . .	106.668	102.241	109.7

### Foreign Agriculture Circulars

USDA's Foreign Agricultural Service issues a number of Foreign Agriculture Circulars at irregular intervals during the year on various commodities and export services for the food and agricultural trade. These circulars are distributed without cost to U.S. residents. If you wish to be placed on the mailing list for any of these reports, you should write to: Foreign Agricultural Service, Information Division, Information Services Staff, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

### Titles

Oilseeds and Products  
Grains other than rice  
Livestock and Meat  
Cotton  
Coffee  
Dried Pulses  
Processed Fruits  
Fresh and Processed Citrus Fruits  
Cocoa  
Dairy  
Fresh Deciduous Fruits and Grapes  
Dried Fruits  
Hops  
Tree Nuts  
Poultry and Eggs  
Rice  
Seeds, Field, and Vegetable  
Sugar  
Tea and Spices  
Tobacco  
Vegetable Fibers  
Wool  
Honey  
Fresh and Processed Vegetables  
Table Olives  
Strawberries and Other Berries  
Tropical Fruits





## Inputs and Transportation

The 1977/78 outlook for inputs used in producing food and fiber is for slack demand and excess production capacity. These two forces will likely result in a much slower rise in prices for most inputs.

Given the weakness in farm income, purchases of intermediate and long-term capital items will likely decline more than purchases of short-term production items. In addition, more conservative lending practices will have greater impact on the demand for capital goods. *Robert Reinsel, (202) 447-4943.*

### Farm Machinery Sales To Remain Weak

Demand for farm machinery is expected to be soft next year, and only minimal price increases—those resulting from increased costs of materials and labor—are anticipated.

Most farmers can be expected to closely review their farm equipment replacement plans and to replace only those items that are essential for continued operation.

This expectation is based on observations of the situation for the first 8 months of 1977, and on reports from some manufacturers and distributors. Sales of all tractors for the January-August period were off 3.5 percent from a year earlier. Sales of four-wheel drive tractors dropped 24 percent and

two-wheel drive tractor sales (under 100 horsepower) were down 8 percent. Partly offsetting these declines, sales of two-wheel drive tractors (more than 100 horsepower) increased 11 percent. January through August sales of other equipment—combines, cornheads, forage harvestors, mower conditioners, and manure spreaders—were all down 4 to 21 percent below last year's levels.

Although machinery sales were off, prices continued to rise and as of mid-1977 were up an average of 10 percent over a year earlier. Prices of large tractors were up 11 percent and prices of other machinery increased 6 to 14 percent.

Much of the dealers' supply is already floor planned, and they will be under heavy pressure to move this equipment out of their lots. To do so, some may raise trade-in allowances on used machines and grant more lenient terms of payment. As a result, dealer margins could decline and if volume also falls, some of the smaller dealerships may be in serious financial condition.

With the market for new equipment very soft, demand for machinery repair and replacement parts will be strong. These are areas where farmers have much less flexibility in postponing necessary services. Scheduling in advance known maintenance needs will help to avoid additional charges for overtime on emergency repairs. *Theodore Eichers, (202) 447-6620.*

### Pesticide Supplies Appear Ample

Rapid addition to capacity over the past several years should permit ample production of nearly all types of pesticide materials in 1978. In addition raw materials for producing basic pesticide chemicals have generally been adequate.

Demand, on the other hand, is expected to ease next year, largely because of set-aside programs. In particular, the set-aside program for feed grains could reduce the demand for herbicides.

Low margins caused several distributors to discontinue pesticide sales within the last 2 years. Thus, the remaining distributors can be expected to maintain a rather firm commitment to prices next season in order to insure an adequate margin.

Regulations continue to be a very important factor in pesticide markets. The U.S. Environmental Protection Agency has decided to continue the registration of trellan. This major cotton and soybean herbicide had been under review for removal from the market. In addition, many pesticides are under review for reregistration and could be discontinued at some future time. Included are such important agricultural products as toxaphene, dimethoate, endrin, the EBDC fungicides and many others. *Theodore Eichers, (202) 447-6620.*

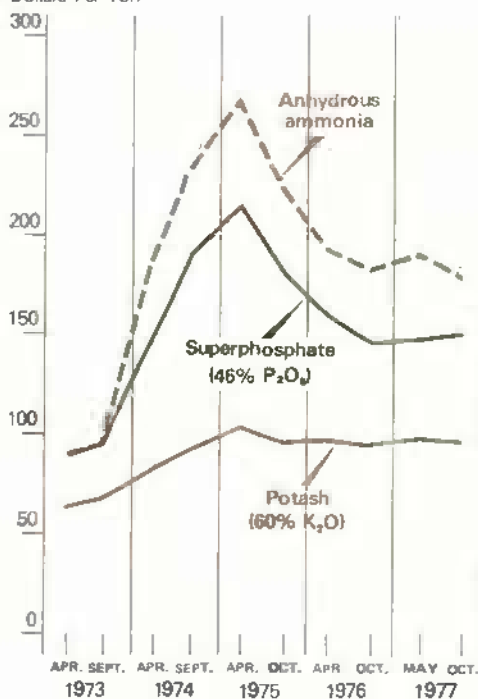
### Fertilizer Use Steady But Prices Weaken

Low farm commodity prices and the set-aside programs for wheat and feed grains may cause total domestic fertilizer use to remain at or below the 1976/77 level. Weak demand and increased production capacity suggest that prices will be under strong downward pressure into the spring of next year.

Fertilizer application rates are expected to increase on acres planted, but increased application rates will be unlikely to offset the reduction caused by putting land in the set-aside programs.

### FERTILIZER PRICES EASE

Dollars Per Ton



**Nitrogen:** In 1976/77 farmers used about 10.6 million tons of nitrogen—about 2 percent more than in the previous year. However, the net supply (including imports minus exports) rose by more than 8 percent, thus adding greatly to inventories. Meanwhile prices, particularly for anhydrous ammonia, declined about 10 percent.

For 1977/78, domestic nitrogen use is forecast at 10.4 to 10.7 million tons but the net domestic supply could reach 12 million tons adding further to carryover inventories.

With such a demand-supply outlook, it seems likely that nitrogen prices will decline sharply. If prices do fall, however, some manufacturers may find it unprofitable to continue operation, and the over-supply problem could turn into a much more closely balanced market.

**Phosphorus:** In 1976/77, farmers used over 5.6 million tons of  $P_2O_5$ , an increase of 8 percent over the previous year. Although production increased sharply, net domestic supply was held to a slower rate of increase by an estimated 15 percent increase in exports. Thus, the season closed with little change in inventory.

Production increases anticipated for 1977/78 will largely be offset by increased exports, and net supply may remain close to 1976/77. Domestic use is estimated at 5.4 to 5.7 million tons for the coming year. Thus, the market for phosphate fertilizers looks much stronger than that for nitrogen, and prices are expected to remain stable.

**Potassium:** Domestic potash use rose 12 percent in 1976/77, with most of the rise made possible by increased imports from Saskatchewan—nearly 1 million tons of  $K_2O$  above the previous year. At the end of August 1977, potash inventories were slightly below those of a year earlier. Use during 1977/78 is expected to range between 5.5 and 5.8 million tons with no major price change. *Paul Andrienas, (202) 447-6620.*

### Energy Situation Uncertain

With energy legislation pending, uncertainty as to future supplies and prices permeates the fuel situation. However, the general trends of relatively tight supplies and associated increasing prices may be expected to continue. Among various energy forms used in the agricultural sector, the situation could be most serious for natural gas.

**Natural gas:** The extreme cold of last winter created natural gas shortages in many areas of the country. While another such winter is not likely, natural gas may continue to be in short supply. The Federal Power Commission in August projected that 1977/78 delivery of natural gas could fall 170 billion cubic feet below the level of last winter, and that curtailments of gas contracted for delivery might run to 23 percent as compared with 21 percent a year ago. Most of the impact would fall on the industrial sector.

However, major natural gas pipelines have recently indicated that by increasing storage, by planning for emergency gas purchases and by increasing supplies, excessive industrial curtailments should be avoided. Curtailment of industrial use is most likely to occur on days of peak usage.

In the event of another severe winter, some food processors such as meat packing plants and milk processors could find their gas supply curtailed, and farmers could experience difficulty in obtaining natural gas in preferred quantities for some uses, such as irrigation systems.

Industrial, commercial, farm and residential users can expect higher prices for gas. Prices for natural gas have been increasing rapidly, but since prices vary so much from State to State and from user to user, it is impossible to establish a typical price paid by farmers. However, prices in unregulated areas more than doubled between 1973 and 1975, and increased significantly in regulated areas. The regulation issue is under Congressional discussion along with other energy legislation. However, natural gas prices may be expected to increase 10 to 20 percent for agricultural users in the coming year.

**LP gas:** The outlook situation for LP gas is closely tied to natural gas. Traditional LP users such as agriculture find increased competition for this fuel results from natural gas shortfalls. There is a problem of LP supplies being diverted to industrial users as they try to adjust to natural gas curtailments.

According to the American Petroleum Institute, propane inventories as of September 1977 were down 9 percent from a year earlier. However, crop drying is proceeding adequately this fall, with no major disruptions reported thus far. Farmers should maintain full storage tanks in anticipation of possible short-term supply bottlenecks.

### SALES AND PRICES OF SELECTED FARM MACHINERY ITEMS

	Sales		
	Wheel tractors	Self-propelled combines	Hay balers
	Thous. units		
1971 .....	132	28	28
1972 .....	157	29	32
1973 .....	197	35	37
1974 .....	174	32	29
1975 .....	161	33	26
1976 .....	153	33	22
1977 .....	<sup>1</sup> 148	<sup>2</sup> 27	<sup>2</sup> 21
	Prices <sup>1</sup>		
	Large capacity combines	Hay balers	Factors (under 100 HP)
	Dollars		
1971 .....	17,820	2,510	6,623
1972 .....	19,300	2,660	6,967
1973 .....	22,200	2,860	7,530
1974 .....	27,100	3,280	8,970
1975 .....	35,400	3,920	10,543
1976 .....	41,100	4,320	10,917
1977 .....	45,200	4,590	11,880

<sup>1</sup> Tractor prices as of March 15, and baler combine prices as of June 15 each year.

<sup>2</sup> Estimated based on January-August sales.

**December Situation Report Schedule . . .**  
Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month include:

Title	Off Press
Poultry & Egg	Dec. 1
Sugar & Sweetener	Dec. 7
Ag Supply & Demand	Dec. 12
Livestock & Meat	Dec. 15
Dairy	Dec. 16
Fertilizer	Dec. 19
Tobacco	Dec. 21
World Agriculture	Dec. 29

Single copies of the above reports may be obtained by writing to: ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250.

LP gas prices almost doubled between 1973 and 1974, disrupting a rather stable historic trend. Since then, prices have increased from 7 to 18 percent a year. The price reported by the U.S. Department of Agriculture for July was nearly 40 cents a gallon. A 10 to 15 percent price increase may be expected for the coming crop year. Very tight supplies will exacerbate the situation.

**Diesel and gasoline:** No supply problems are indicated for either diesel or gasoline for the coming year, and therefore farmers should be able to obtain all needed supplies with little difficulty. Since the large price jump for gasoline and diesel in 1973-74, price increases have been in the 5 to 10 percent range, with diesel prices increasing somewhat more rapidly than gasoline. Thus, the price differential of these fuels has been narrowing gradually. In September 1977, prices for bulk delivery gasoline and diesel were 57.8 cents/gallon and 45.3 cents/gallon respectively. Price increases of 5 to 10 percent should be expected next year.

**Electricity:** Reserve margins for all regional areas appear adequate to meet winter peak demands for 1977-78. These same reserve margins will decrease for the summer of 1978, but they still appear sufficient to meet electricity demand for the coming crop year. *Patricia Devlin (202) 447-7148.*

#### DIESEL AND GASOLINE PRICES PAID BY FARMERS

Month and year	Diesel	Gasoline <sup>1</sup>
	Ct. per gal.	
1975		
Jan. ....	38.6	46.0
Apr. ....	37.4	47.3
July ....	39.6	52.4
Oct. ....	40.7	53.5
1976		
Jan. ....	41.4	52.5
Apr. ....	40.7	51.3
July ....	41.7	54.2
Oct. ....	41.5	54.6
1977		
Jan. ....	43.1	54.7
Apr. ....	44.8	56.4
July ....	45.0	57.8
Oct. ....	45.7	57.5

<sup>1</sup> Bulk delivery.

#### Grain Shipments Up

Rail shipments of grain, in response to harvest, increased from an average of 23,600 cars per week in September to 26.7 thousand cars in October. Grain shipments by rail have lagged 1976 levels since June as the result of limited marketing opportunities. Despite relatively low activity, Eastern railroads are reporting a backlog of orders for grain cars and covered hopper cars. As harvest pressures ease, adequate equipment should be available to meet anticipated domestic and export demands.

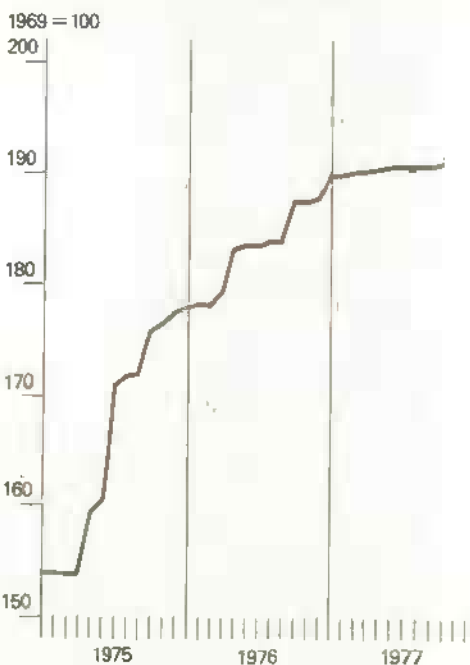
Shipments of grain by barge during October averaged 32.3 million bushels per week, 4 percent less than in the prior year.

River movement slowed substantially during a short general strike by New Orleans longshoremen.

#### Rail, Barge and Truck Rates To Rise in 1978

In 1978 rail rates for all commodities are expected to average 6 to 7 percent above 1977. Rising costs of fuel and labor will likely cause barge and truck rates to rise commensurately.

#### RAIL FREIGHT RATE INDEX\* FOR FARM PRODUCTS STABLE THIS YEAR



\* Bureau of Labor Statistics, U.S. Department of Labor.

As anticipated, the Interstate Commerce Commission has approved a 5-percent general increase in rail rates effective November 30, 1977. This was the second general increase this year. This increase applies to all farm and food products and to all farm supplies, with two relatively narrow exceptions.

Over the past 3 years, seven general rail rate increases have been granted. These increases are reflected in the Index of Rail Freight Rates for farm products which rose from 154.0 (1969=100) in January 1975 to 191.0 in October of this year—an increase of 24 percent.

#### Ocean Freight Rates Moving Up Marginally

After holding nearly level during 1977, ocean freight rates for heavy grain (corn, wheat, soybeans, etc.) turned slightly upward in October and may climb above 1976 levels. These increases, in a depressed shipping market, appear to result from substantial chartering activity by the Soviet Union and reports of increased export demand for U.S. grain. Large rate increases are not expected and the world merchant fleet continues to hold capacity well in excess of foreseeable demand. *T. Q. Hutchinson (202) 447-6363.*

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Geraldine Schumacher, *Agricultural Outlook*  
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Looking ahead to 1978, the question "What will the weather be?" becomes very important because weather is the major production input which the farmer cannot control.

The starting point for evaluating the potential for 1978 is to consider recent and current weather events. For example, the rainfall patterns of recent weeks have helped to determine soil moisture, the amount of fieldwork completed in preparation for spring, and the condition of the winter wheat crop.

This past summer nearly every part of the country experienced some level of drought damage, but overall production was at or near record levels. The Southeast was one of the hardest hit areas, while pockets of very intense drought hit the Corn Belt and Great Plains.

However, precipitation from September through November dramatically reversed the drought picture in nearly all areas east of the Rockies. Much of the western Corn Belt and eastern Plains received over twice normal moisture. The area from the Deep South to the Ohio River Valley was also very wet. The Middle Atlantic States finally received much needed drought relief. Temperatures have generally been mild.

The result of all this precipitation is soil moisture conditions generally near to well above-normal over most of the country. Indeed, for many areas, excessive wetness has developed to the point of having serious implications for 1978.

Present drought concerns are focused on the western States. A third year of below-normal precipitation would be devastating. Although November rains helped to ease the situation, the southwestern Great Plains is still much drier than normal and some problems were encountered in planting winter wheat because of the dryness.

On the other hand, the moisture situation is adequate to excessive over large areas of the United States from the Plains eastward. In areas of the central United States soils are already at or above field capacity (based on Palmer Index program computations as of October 28, 1977).

In 1978, soil profiles will still be nearly saturated at the time that the soils open up. Springtime moisture would typically maintain these saturated profiles and make spring fieldwork very difficult. This will be particularly important because the amount of

fieldwork completed this fall lagged normal.

With this information, it is possible to draw some conclusions about production in 1978.

### Winter Wheat

The eastern portions of the Wheat Belt are well above normal in moisture, and crop growth is well advanced. Some damage may have occurred because of excessive moisture. Root growth may be stunted. Given the abundant moisture supply, conditions will be excellent for growth when the crop breaks dormancy this coming spring. Given no additional moisture, moisture is sufficient to carry the crop through the major growth period. Only one or two good rains would provide the moisture to carry the crop to maturity. Overall prospects for winter wheat are good. However dry areas in the western Plains must be watched carefully.

### Spring Wheat

The primary spring wheat areas generally have normal to above-normal moisture. Soil moisture conditions should not cause any major difficulty to fieldwork and seeding. However, moisture must be at least normal or above during spring and early summer.

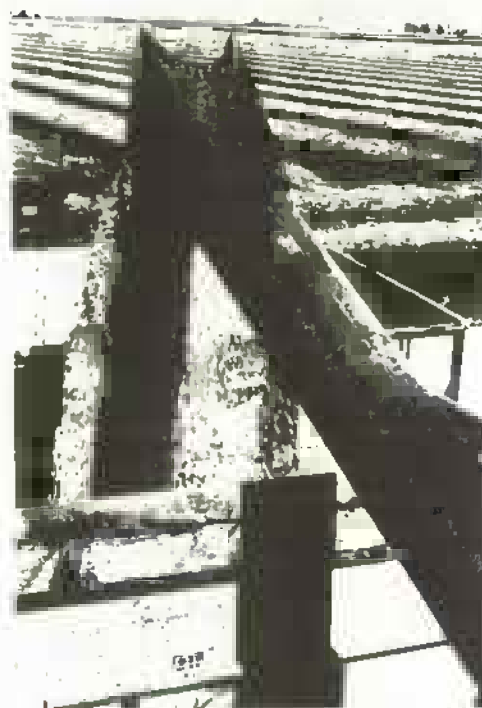
### Corn

Current moisture conditions are such that the probability of some delay in spring fieldwork and planting is reasonably high.

Normal or above-normal rainfall in some areas would result in significant delays in planting. The probability of receiving this amount of moisture is approximately 40 percent. A warm, relatively dry April would be extremely beneficial. This would allow soils to dry sufficiently to allow preparation of fields and planting. This would also allow the surface soils to warm up quickly. Wet soils tend to remain cold. With the current situation, even normal moisture would cause some problems. If planting is delayed beyond May 10, the general rule of thumb is that yields are reduced about 1 bushel a day.

### Soybeans

Any delay in corn planting would also be reflected in soybean plantings. Soybeans would not be affected as greatly by late planting, although any delay pushes the re-productive period into the hotter, drier parts of late July and August. *Richard E. Felch, (202) 447-5447.*



## Commodities

The overall supply-demand outlook indicates with virtual certainty that U.S. farm production for 1977/78 will be sufficient to meet anticipated export requirements and still provide an adequate supply of major commodities for domestic use. Despite the record U.S. grain crop, prices of feed grains, wheat, and rice have strengthened recently with rising export prospects, heavy loan activity, and the withholding of wheat from market.

Prospects for next year's crops are, of course, uncertain. However, harvests are expected to be large again, although the set-aside programs for wheat and feed grains may mean somewhat smaller production of these commodities.

### Larger Supplies of Red Meat Seen for 1978

Prospects are for large supplies of red meat well into 1978. Cyclical developments in the livestock industry point to continued growth in pork supplies and only modest reductions in total beef output. The composition of the beef supply will include a greater percentage of fed beef, reflecting growth in cattle feeding and a winding down of the liquidation phase of the cattle cycle.

Movement of cattle onto feed in expected record numbers during the second half of this year points to larger fed beef supplies in 1978. Marketings from feedlots through mid-1978 may be up 4 to 6 percent.

However, the increase in fed beef supplies may not be sufficient to offset likely reductions in grass-fed slaughter.

Thus, even with total beef production expected to be 1 to 2 percent below January-June 1977 output, year-to-year gains in pork and broiler production suggest little price improvement in the fed cattle market for much of 1978. Choice steers at Omaha may average near \$40 per 100 pounds during the first half of 1978, little changed from the average for the first half of this year.

Fed cattle prices this coming winter may slip below \$40. Much of the current price strength reflects a short supply of heavy-finished cattle, a situation not likely to persist. Grass-fed slaughter may be reduced 10 to 15 percent, with most of the reduction in steers and heifers if cattle feeders turned to heavier placement animals during fourth quarter 1977.

Limited seasonal price strength is possible late in the spring quarter. Greater reductions in grass-fed slaughter are in prospect, but continued growth in fed beef supplies may limit the year-to-year decline in total beef output to less than 2 percent. And the increase in pork production likely will exceed 10 percent. The spring-over-winter advance in fed cattle prices is not likely to offset seasonally higher production costs.

Low feed prices point to more substantial changes in pork supplies and prices. Hog

slaughter may increase 7 to 8 percent during the first quarter of 1978, reflecting the larger number of market hogs weighing less than 60 pounds on September 1. If farrowing intentions for the fall quarter are realized, the increase in April-June slaughter will exceed 10 percent.

Slaughter hog prices may average in the mid-\$30's through the first half. Assuming some seasonal reduction in both beef and pork production in the spring, little difference would be expected in the quarterly price averages.

At the projected levels, total red meat production through the first half of 1978 would be 2 to 3 percent larger than the previous year.

Year-to-year production increases are likely for the second half as well. Pork production may be 15 percent greater and will more than offset smaller beef supplies. With 5 to 7 percent more fed cattle marketed during the second half, the decline in beef production will be limited to 5 percent or less. *Eldon Ball, (202) 447-8143*

### Poultry and Egg Production To Climb in 1978

Prospects for lower feed prices than a year earlier during the first half of 1978 are expected to result in increased output of poultry and eggs next year. Broiler production in 1977 will total about 3 percent above 1976, while egg output will about equal a year earlier and turkey output will show a small decline.

Broiler chick placements indicate marketings in the last 6 weeks of 1977 will be up around 10 percent. Although output will continue to increase in 1978, the rate of increase will slacken from late 1977. First half 1978 output is expected to be 5 to 7 percent above January-June 1977. Second half production likely will remain above a year earlier, but the rate of increase may slacken.

Wholesale broiler prices will likely drop to the mid-30 cent level in late November and December because of the expected sharp increase in marketings. First half 1978 prices will strengthen from late 1977 but average below January-June 1977.

Egg output will likely continue large during most of 1978. Increased layer numbers and larger output per hen are expected to result in first half 1978 egg production totaling 2 to 3 percent above a year earlier. Egg prices in late 1977 are running well below last year.

The prospective increased output in the first half of 1978 is expected to result in egg prices averaging well below January-June 1977. The sharpest drops will occur in the first quarter because January-March 1977 prices were unusually high.

Turkey producers, responding to excellent prices this fall and prospects for lower feed prices next year, are expected to step up marketings during the seasonally light first half. Output in January-June 1978 could be nearly 10 percent above a year earlier. However, turkey supplies may show little increase because of reduced cold storage stocks on the first of the year. Second half 1978 production is expected to continue above a year earlier but show a more moderate percentage increase than during the first half. Turkey prices in the first half of 1978 may average slightly higher than the 51 cents of January-June 1977. *William Cathcart and Gerald Rector, (202) 447-8801*

### Milk Production Continues Expansion

Milk production in 1977 may exceed 123 billion pounds. Many of the forces which shaped this year's increase will continue, and production likely will remain above year-earlier levels in early 1978.

Favorable milk-feed price relationships and the resultant heavier concentrate feeding have provided most of the impetus for the gains in production. Gains in output per cow have more than offset the relatively slow decline in milk cow numbers.

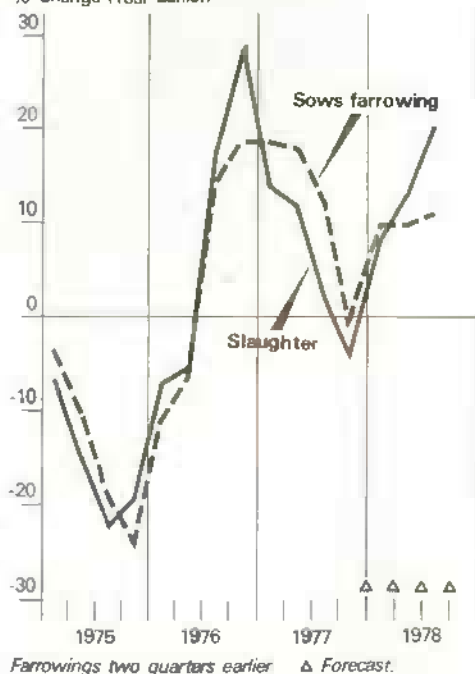
### CATTLE BALANCE SHEET

	Jan. 1 inventory	Calf crop	Slaughter	Death loss	Net imports
	Mil. head				
1970	112.4	45.9	39.6	4.3	1.1
1971	114.6	46.7	39.7	4.5	.9
1972	117.9	47.7	39.3	5.1	1.1
1973	121.5	49.1	36.4	6.5	.7
1974	127.7	50.8	40.5	6.1	.4
1975	131.8	50.4	46.9	7.0	.2
1976	128.0	47.4	48.7	4.5	.8
1977 <sup>1</sup>	123.0	46.1	47.7	5.0	.9
1978 <sup>1</sup>	117-118	45.5	42.6	4.7	.9
1979 <sup>1</sup>	115-117				

<sup>1</sup> Projected.

### LARGER SOW FARROWINGS TO INCREASE HOG SLAUGHTER IN 1978

% Change (Year Earlier)





Although milk prices probably will close out the year well above a year ago, for all of 1977 they likely will average close to \$9.70 per 100 pounds, up only about a nickel from 1976. Farm milk prices in early 1978 will average considerably above a year earlier due to the higher support price.

Wholesale butter and cheese prices have remained near the support level since adjusting to the increased support prices effective April 1. Even with the peak holiday demand period approaching, substantial price increases are unlikely in the next few months, and wholesale prices likely will remain near support at least through next year's flush production season. *Charles Shaw and James J. Miller, (202) 447-8915.*

### Feed Grain Supply Record Large, But Prices Strengthen Moderately

Export prospects for U.S. feed grains have increased somewhat because of reduced prospects for world grain production. This is contributing to recent strength in grain prices. Although U.S. feed grain production this year is record large, prices in 1977/78 are expected to be a little stronger than were estimated early this fall.

Heavy loan activity also is helping to strengthen feed grain prices. As in other years of unusually large supplies, farm prices of feed grains have run somewhat below loan rates during the harvest period but are expected to rise to loan levels or above as the season progresses.

The U.S. corn crop was estimated as of November 1 at 6,367 million bushels—the third successive record crop and 2 percent more than last year. The other feed grain crops were larger, too: sorghum crop, at 779 million bushels, up 8 percent; barley at 405 million bushels, up 7 percent; and oats, at 759 million bushels, up 35 percent.

These harvests total about 201 million metric tons—an all-time high and 4 percent above last year's record production. Past experience indicates that chances are about 2 out of 3 that the final estimate of 1977 production will not differ from the November estimate by more than 4 million tons. This production and the 30-million-ton carryover of old grain would make a feed grain supply of 231 million tons, 10 percent more than last year's supply and a little above the previous record supply of 1972/73.

U.S. feed grain exports in 1977/78 are projected around 50.4 million metric tons, approximately the same as the heavy export volume of the last 2 years. Lower feeding costs are contributing to the expansion in U.S. livestock and poultry feeding. Feed grains used for domestic feeding are projected around 119 million metric tons, 6 percent more than in 1976/77.

Although domestic uses and exports of feed grains in 1977/78 are projected to total about 188 million metric tons, 4 percent more than last year, this is well below 1977 production. Consequently, carryover stocks will increase sharply to around 43 million tons, the largest since 1971/72.

Prices of corn at the farm in 1977/78 likely will average \$2.00 to \$2.20 per bushel, compared with \$2.20 last year. Farm prices of sorghum may average \$1.85 to \$2.05 per bushel, compared with \$1.95 last year. Prices of oats and barley, however, likely will be lower than in 1976/77. *George R. Rockwell, Jr., (202) 447-8636.*

### 1978 Feed Grain Program Provisions

For 1978, a 10-percent set-aside in acreage of corn, sorghum, and barley was announced on November 15. Oats are not included in the 1978 feed grain program. Participation in the program is voluntary. Non-participants, however, are not eligible for price support loans, disaster payments, or deficiency payments.

Participants must have 1 acre of set-aside planted to an approved cover crop for each 10 acres of 1978 plantings of corn, sorghum and barley for harvest. Also, a farmer's acreage planted to 1978 designated crops plus his set-aside, cannot be larger than his normal crop acreage (NCA). Basically, a farmer's NCA is the total acreage he normally uses to grow crops. It will be based on the acreage he planted in 1977 to designated crops, adjusted for abnormal conditions. The list of designated crops will be announced soon.

In addition, the program includes a voluntary reduction option in order to assure full target price protection. For a farmer's entire production of these crops to be eligible for target price payments, his 1978 plantings must be smaller than his 1977 plantings by at least 5 percent for corn and sorghum and 20 percent for barley. Otherwise, an allocation factor will be applied to his deficiency payments. The factor will be determined

later. It will be computed by dividing the national program acreage for the crop by the number of harvested acres, but by law cannot be less than 80 percent nor more than 100 percent.

The national program acreage is the amount of harvested acreage needed to meet domestic and export requirements, with adjustments for desired increase or decrease in carryover. These were announced at 67.6 million acres for corn; 13.7 million acres for sorghum; and 7.4 million acres for barley.

A farmer must comply with whatever set-aside requirements there are for each of the crops he grows in order to qualify for program benefits for any of his crops. So if a farmer grows both wheat and feed grains, he must comply with the 20-percent set-aside for wheat indicated last August and the 10 percent set-aside for corn, sorghum, and barley in order to get benefits. Also, a farmer with more than one farm must comply with set-aside requirements on all of his farms in order to get program benefits for crops on any of his farms.

The feed grain set-aside provisions, however, are conditional. USDA will take another look at the world grain situation early in 1978. If supply prospects continue to slip and prices strengthen, the set-aside provisions could be revoked. *George R. Rockwell, Jr. (202) 447-8636*

### FOOD AND FEED GRAINS<sup>1</sup>

Item	Est.		
	1975/76	1976/77	1977/78
Million metric tons			
Beginning stocks . . .	27.5	37.1	61.9
Production . . . . .	248.7	256.8	261.5
Imports . . . . .	.6	.4	.4
Total supply . . . . .	276.8	294.3	323.8
Feed use . . . . .	118.2	115.0	125.3
Domestic use . . . . .	155.1	152.6	163.5
Exports . . . . .	84.5	79.5	83.4
Total use . . . . .	239.6	232.1	246.9
Ending stocks . . . . .	37.0	61.9	76.9

<sup>1</sup> Summary of marketing year data for wheat, rye, rice (rough), and feed grains



### **Wheat Prices Strengthen Moderately; Export Outlook Brightens**

Wheat prices have strengthened 40 to 50 cents per bushel since completion of harvest, when farm prices were running about 15 percent below the U.S. loan rate of \$2.25 per bushel. The heavy withholding of wheat from market by growers has helped strengthen prices.

Government loan activity has been heavy and, by early November, more than a fifth of this year's crop had been placed under loan. This volume, plus 1976-crop wheat still under anniversary loan or in the extended loan program, and the CCC's wheat inventory, add to a total of 800 million bushels, or a third of all wheat stocks in the country on October 1. In addition to these stocks, large amounts of wheat owned by others are not being offered for sale at current prices. All of this has helped raise farm prices in all areas above loan levels.

Current estimates are for wheat prices at the farm to average between \$2.15 and \$2.35 per bushel in 1977/78, down from \$2.85 in 1976/77. In addition, however, wheat growers for the first time will be due deficiency payments on at least part of their 1977 production.

Deficiency payments for 1977 wheat will be paid to farmers based on two target rates. Payments based on a target of \$2.90 per bushel will be made on a farmer's established production on his allotment acreage or on his total established production on his acreage planted for harvest, whichever is smaller. Any unplanted portion of an allotment qualifies for payments based on a target price of \$2.47 per bushel.

In both cases, the deficiency payment this year will be the difference between the target price and the \$2.25 loan rate, since it is higher than the average price received by farmers in the first 5 months (June-October) of the marketing year. Deficiency payments will be made on all eligible production, whether the farmer still has his wheat, has put it under Government loan, or has sold it.

Large old crop stocks and the large 1977 crop make the U.S. wheat supply for 1977/78 about 3,140 million bushels, an all-time high.

The world supply also is record large, but 1977 crop prospects have deteriorated recently, especially in the USSR. The world

crop now is expected to be about 8 percent below last year's record. This probably will lead to record large world wheat trade, and a substantial reduction in world wheat stocks in 1977/78, but stocks still will be very large. U.S. exports likely will be around 1,100 million bushels, up from 950 million in 1976/77. Total utilization is projected at about 1,960 million bushels, around 10 percent more than last year but still less than this year's crop. U.S. stocks, therefore, likely will increase modestly in 1977/78.

For the 1978 wheat crop, a 20-percent set-aside has been announced. The loan rate will be \$2.25 per bushel, and the target price will be \$3.05 per bushel if the crop is less than 1.8 billion bushels but \$3.00 if the crop is larger. The new Farm Act makes substantial changes in some program operations for 1978 and later crops. But it offers strong incentives to wheat growers, so program participation likely will be heavy and wheat plantings down substantially next year.

*George R. Rockwell, Jr., (202) 447-8636*

### **Rice Prices Strengthen as Exports Increase**

Even though the estimate of the rice crop as of November 1 was slightly larger than a month earlier, exports have been relatively large and prices have strengthened. Rice production is forecast at 99 million cwt., 15 percent less than last year and 23 percent under the 1975 crop.

Exports are projected at 68 million cwt., compared with 65.6 million in 1976/77. Domestic use also is expected to be a little larger, around 45 million cwt., up from 42.8 million last year. Consequently, total disappearance in 1977/78 should be about 113 million cwt., up from 108.4 million in 1976/77, and carryover should be around 25 million cwt., down sharply from the year-earlier carryover of 39.7 million.

Prices received by farmers for rice in 1977/78 likely will average \$8.00 to \$9.00 per cwt., versus \$6.63 in 1976/77. *George R. Rockwell, Jr., (202) 447-8636*

### **Soybean Carryover To Expand; Prices Trail Year Ago**

The outlook for soybeans this season is dominated by the record large supplies resulting from this year's bumper crop. As of November 1, the 1977 crop was estimated at 1,683 million bushels, up a third from last

year. With added carryover stocks, the total 1977/78 soybean supply approaches a record 1.8 billion bushels, nearly a fifth above last season.

Although both domestic and export use is expected to increase, the gain will be less than in production, resulting in a build up in carryover stocks. Total disappearance is expected to reach 1.53 billion bushels, some 10 percent above last season.

Soybean crushings are expected to total around 850 million bushels, up from the 790 million processed in 1976/77. The increase primarily reflects more soybean meal feeding as a result of lower prices and rising livestock and poultry production. A crush of this size would utilize approximately two-thirds of the industry's processing capacity, about the same as last season.

Soybean exports are estimated at 610 million bushels, compared with 564 million last year. Lower U.S. prices and increased meal demand overseas will fuel the rise, despite increased competition from South American soybeans and meal. Increased overseas demand for protein meals is expected in both Western Europe and Japan as feeding of hogs and poultry increases. The USSR is expected to take around 850,000 metric tons of U.S. soybeans, about the same as in 1976/77.

However, the United States will face stiffer competition in world markets this season, competing with larger supplies of Canadian rapeseed, Soviet sunflowerseed, Indian peanuts, Malaysian palm oil, and increased soybeans and products from South America.

Soybean prices this fall are trailing year-ago levels, reflecting the increased supplies. Some price strength may occur after harvest but much will depend upon farmers' willingness to store soybeans or place them under Commodity Credit Corporation (CCC) loan. It also will depend upon the competition from Brazil and other major world oilseed producers.

A substantial quantity of soybeans likely will be placed under CCC loan, but actual takeover by the CCC should be small. Producers use CCC loans as a source of relatively low-cost financing. The U.S. average loan rate for 1977-crop soybeans is \$3.50 per bushel. Prices received by farmers are expected to average about \$2 below the \$7 per bushel of last season. *George Kromer and Stanley A. Gazelle, (202) 447-8444*

## Large Cotton Crop Cuts Prices

The 1977 cotton crop is the largest since 1965. Based on November 1 conditions, production will total 13.8 million bales, up 3½ million from last year.

The 31-percent larger crop is boosting this season's supply about 2½ million bales. But with disappearance down slightly because of smaller exports, next summer's carryover could total 5½ to 6 million bales, sharply above beginning stocks of 2.9 million.

With 1977 production about 2½ million bales in excess of anticipated U.S. mill use and exports, cotton prices are off sharply from year-earlier levels. For example, the price of base grade SLM 1-1/16-inch cotton is now around 48 cents per pound, nearly 30 cents below last November. As a result, many farmers are again caught in a cost-price squeeze, as the total cost of producing the 1977 crop may average around 55 cents per pound.

If recent price relationships between cotton and competing crops prevail at planting time, acreage seeded to cotton in 1978 will likely fall short of this season's total of over 13.4 million acres. Although prices of all crops have fallen sharply since last spring, cotton prices have generally experienced the sharpest drop. As a result, U.S. cotton acreage may range between 11 and 13 million acres. Depending on yields, this acreage would indicate a 1978 crop of 10½ to 12 million bales, sharply below current production.

The lower cotton prices, however, are expected to benefit U.S. mill consumption. With current cotton prices near or slightly below competitive manmade fiber staples, cotton use may soon recover from recent depressed levels and gradually improve over the next year. While consumption during 1977/78 may about equal last season's 6.7 million bales, use next season could top 7 million.

U.S. cotton export prospects for 1977/78 are a bit uncertain. Although 4½ million bales have already been sold for delivery this season, sales have slowed since early August, reflecting continuing sluggish textile activity abroad. Even with the likelihood of further sales this season, there is the threat of some sales cancellations in view of currently cheaper foreign cotton availabilities. As a result, U.S. cotton exports during 1977/78 may total around 4.4 million bales, compared with 4.8 million last season. *Russell G. Barlowe, (202) 447-8776*

## Fruit Prices Continue Strong

The 1977/78 crop season will be a banner year for most fruit producers. Smaller supplies of most citrus fruits, a slightly smaller non-citrus crop, and strong consumer demand are expected to keep prices for fresh and processed fruit this season 4 to 7 percent above last season.

The November forecast of U.S. citrus production (except grapefruit in California, other than desert areas) for the 1977/78 season places the crop at nearly 14.2 million tons, down 6 percent from 1976/77 and 3 percent below 1975/76. Orange production is forecast to be 10 percent smaller than last year, but larger crops are indicated for Florida grapefruit, tangelines, and Temples. Tangelo production is estimated to be the same as 1976 output.

Prices for oranges during the 1977/78 season will be buoyed by sharply lower carryover stocks of frozen concentrated orange juice, as well as increased consumer disposable income and higher prices for most competing fruits. In addition, exports of U.S. oranges during 1977/78 could reach the 1976/77 level. Current prospects for oranges, through the winter months point to grower prices declining seasonally but averaging moderately above year-earlier levels. These price trends will show up at retail.

Supplies of grapefruit for 1977/78 are expected to total 3.0 million tons, or 72.5 million boxes (for California, includes Desert Valley fruit only), up 2 percent from last season. The large crop this season results from a record Florida crop. Florida's grapefruit crop is forecast at an all-time high of 54.0 million boxes, 5 percent above the previous record set last season.

The 1977 noncitrus fruit crop is forecast at 11.13 million tons, slightly below last year's level and 4 percent below 1975. However, cold storage holdings of fresh non-citrus fruit at the beginning of November were considerably larger than in 1976. Shipping point prices for most fresh noncitrus fruit are generally above a year ago. With the prospective good demand from processors, prices received by fruit growers are expected to average higher than in the 1976/77 season. However, with higher costs of raw materials and processing, prices of most processed noncitrus items at all levels are expected to remain firm.

Despite the slightly smaller noncitrus crop, the 1977/78 pack of most noncitrus fruit is likely to be above that of a year ago. However, total supplies of canned noncitrus are still expected to be near last year's level because of smaller carryin stocks at the beginning of the season. Dried fruit supplies will be larger. Supplies of frozen fruit could be moderately above a year ago.

## Vegetable Supply Prospects Favorable

Barring any unusually cold weather, ample to generous supplies of several fresh vegetables will continue to be available at least to the end of the year and probably into the first quarter of the new year. Larger acreages and production potential suggest more snap beans, broccoli, cabbage, carrots, cauliflower, cucumbers, eggplant, lettuce, peppers, tomatoes, and Florida sweet corn. Celery and spinach crops are expected to be smaller.

The total supply (pack plus carryover) of canned vegetables for 1977/78 at this time looks to be about 2 to 4 percent larger than a year earlier and nearly equal to 2 years ago. This estimate excludes concentrated tomato products but does include pickles and sauerkraut. Supplies of concentrated tomato products are large. Supplies of frozen vegetables are considered adequate but not excessive.

Wholesale prices for canned vegetables this fall and winter are expected to trend the same or barely higher than a year earlier. Frozen vegetable prices, which are already substantially higher than a year ago, will maintain the gains made late last summer.

With a fall potato crop only 1 percent smaller than last year's record high, U.S. average grower prices in the fourth quarter will remain low and hold close to those of a year earlier. Season prices to growers in the Pacific Northwest are expected to average above the low levels of 1976/77 in that region, but for the first half of 1978 the U.S. average price may not be greatly different from 1977.

Projected use of potatoes for crop year 1977/78 suggests a moderate decline in fresh use. Total processing usage may be the same to slightly less than a year ago. *Charles Porter and Joseph Podany, (202) 447-8666*

# Statistical Indicators

## Farm Income

### Gross and net farm income<sup>1</sup>

Items	First Half			1975				1976				1977		
	1975	1976	1977	I	II	III	IV	I	II	III	IV	I	II	III
	\$ Bil.													
Cash receipts from farm marketings . . . . .	84.6	96.7	97.4	79.7	89.5	94.1	89.0	93.0	100.4	91.5	92.4	95.9	99.0	88.5
Livestock and products . . . . .	40.0	47.3	46.6	37.0	43.1	45.3	46.7	46.3	48.3	45.5	45.4	45.3	48.0	47.0
Crops . . . . .	44.6	49.4	50.8	42.7	46.4	48.8	42.3	46.7	52.1	46.0	47.0	50.6	51.0	41.5
Nonmoney and other farm income <sup>2</sup> . . . . .	8.0	9.2	9.8	7.7	8.4	9.2	9.1	9.1	9.2	9.4	9.5	9.7	9.8	10.2
Realized gross farm income . . . . .	92.6	105.9	107.2	87.4	97.9	103.4	98.1	102.1	109.6	100.9	101.9	105.6	108.8	98.7
Farm production expenses . . . . .	74.0	81.6	85.1	72.4	75.7	78.8	76.7	79.1	84.2	82.3	81.2	83.1	87.1	82.5
Farmers' realized net income . . . . .	18.6	24.3	22.1	15.0	22.2	24.6	21.4	23.0	25.4	18.6	20.7	22.5	21.7	16.2
Net change in farm inventories . . . . .	2.8	-1.8	-6	4.0	1.5	2.9	5.5	-1.5	-2.2	-1.0	-2.7	-5	-7	-5
Farmers' total net income . . . . .														
Current Prices . . . . .	21.4	22.5	21.5	19.0	23.7	27.5	26.9	21.5	23.2	17.6	18.0	22.0	21.0	16.7
1967 prices <sup>3</sup> . . . . .	13.1	13.0	11.6	11.7	14.5	16.3	15.7	12.5	13.3	9.9	10.0	12.0	11.2	8.8

<sup>1</sup> Quarterly data are seasonally adjusted at annual rates. All data revised July 1977. <sup>2</sup> Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. <sup>3</sup> Deflated by the index of prices paid by farmers for family living items on a 1967 base. In 1977 movement is based on the overall change in the consumer price index.

### Cash receipts from farming

Items	January-June			1976		1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept	
	\$ Mil.										
Farm marketings and CCC loans <sup>1</sup> . . . . .	36,199	41,672	42,052	8,060	6,486	6,828	7,192	7,354	7,625	7,946	
Livestock and products . . . . .	19,636	23,226	22,894	3,868	3,792	4,004	3,888	3,784	3,961	4,008	
Meat animals . . . . .	11,574	13,717	13,241	2,250	2,161	2,326	2,201	2,096	2,278	2,359	
Dairy products . . . . .	4,791	5,782	5,863	927	996	1,042	1,021	1,006	995	972	
Poultry and eggs . . . . .	3,014	3,412	3,508	649	583	582	614	633	642	634	
Other . . . . .	257	315	282	42	52	54	52	49	46	43	
Crops . . . . .	16,563	18,446	19,158	4,192	2,694	2,824	3,304	3,570	3,664	3,938	
Food grains . . . . .	2,756	2,923	2,683	665	306	348	726	982	807	632	
Feed crops . . . . .	4,888	5,749	5,449	1,053	652	716	866	862	764	743	
Cotton (lint and seed) . . . . .	961	908	816	49	109	34	25	18	100	53	
Tobacco . . . . .	289	341	410	428	32	13	5	—	464	423	
Oil-bearing crops . . . . .	2,465	3,192	4,306	610	625	703	642	575	415	678	
Vegetables and melons . . . . .	1,998	2,209	2,275	702	364	451	461	479	551	696	
Fruits and tree nuts . . . . .	1,381	1,396	1,516	355	242	265	371	388	317	381	
Other . . . . .	1,825	1,728	1,703	330	364	294	207	266	246	332	
Government payments . . . . .	490	260	477	55	71	38	32	31	48	88	
Total cash receipts <sup>2</sup> . . . . .	36,689	41,932	42,529	8,116	6,557	6,866	7,224	7,385	7,673	8,034	

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Details may not add because of rounding.



# Farm marketing indexes (physical volume)

Items	January-June			1976	1977					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
All commodities . . . . .	95	105	106	125	97	100	111	117	124	128
Livestock and products . . . . .	102	107	110	115	109	113	112	106	112	113
Crops . . . . .	85	102	101	141	81	82	111	134	141	148

## Cash receipts<sup>1</sup> from farm marketings, by States, January-September

State	Livestock and Products		Crops <sup>2</sup>		Total <sup>2</sup>	
	1976	1977	1976	1977	1976	1977
	\$Mil.					
NORTH ATLANTIC						
Maine	200.6	208.6	140.7	121.3	341.3	329.9
New Hampshire	42.9	44.1	15.6	16.1	58.5	60.2
Vermont	184.0	180.1	13.8	22.4	197.8	202.5
Massachusetts	83.6	84.3	71.8	73.5	155.4	157.8
Rhode Island	9.4	9.8	11.0	11.0	20.4	20.9
Connecticut	101.4	97.8	78.1	82.2	179.5	180.0
New York	928.2	906.0	343.9	354.4	1,272.0	1,260.4
New Jersey	82.6	79.2	168.0	178.3	250.6	257.4
Pennsylvania	973.0	994.6	347.3	366.7	1,320.3	1,361.3
NORTH CENTRAL						
Ohio	875.8	864.0	1,056.7	1,160.5	1,932.5	2,024.5
Indiana	1,026.2	1,016.0	1,101.4	1,174.8	2,127.7	2,190.8
Illinois	1,417.1	1,395.9	3,090.5	2,958.5	4,507.6	4,354.4
Michigan	617.5	614.8	642.7	643.1	1,260.2	1,257.9
Wisconsin	1,902.7	1,946.9	405.6	368.1	2,308.2	2,314.9
Minnesota	1,662.3	1,656.7	1,182.4	1,189.3	2,844.6	2,846.0
Iowa	3,033.8	2,993.6	2,068.5	2,144.3	5,102.3	5,137.9
Missouri	1,168.1	1,148.0	613.2	679.5	1,781.3	1,827.6
North Dakota	330.7	333.2	845.4	751.7	1,176.1	1,084.8
South Dakota	1,072.0	1,081.3	289.4	332.7	1,361.4	1,414.0
Nebraska	1,599.7	1,618.4	1,128.9	1,060.0	2,728.5	2,678.5
Kansas	1,486.0	1,446.2	1,162.8	1,292.6	2,648.7	2,738.8
SOUTHERN						
Delaware	137.3	134.2	54.3	50.2	191.6	184.4
Maryland	319.7	328.1	153.9	152.5	473.6	480.6
Virginia	410.2	427.1	255.8	276.3	666.0	703.3
West Virginia	73.3	74.8	23.0	28.6	96.3	103.4
North Carolina	813.3	832.0	1,075.4	989.7	1,888.7	1,821.7
South Carolina	211.0	207.6	374.6	369.0	585.7	578.6
Georgia	888.2	901.0	698.2	635.7	1,586.4	1,536.7
Florida	525.0	541.2	1,424.9	1,285.3	1,950.0	1,826.5
Kentucky	540.9	547.2	385.9	496.6	926.8	1,043.8
Tennessee	511.7	518.0	217.3	252.3	729.0	770.3
Alabama	768.1	768.6	332.8	343.3	1,100.9	1,111.9
Mississippi	514.2	529.0	354.9	337.3	869.1	866.2
Arkansas	802.1	830.0	560.7	542.0	1,362.7	1,372.0
Louisiana	307.6	309.9	348.1	318.9	655.7	628.8
Oklahoma	933.1	947.2	454.2	629.5	1,387.3	1,576.8
Texas	2,413.5	2,384.6	1,788.2	1,882.8	4,201.8	4,267.4
WESTERN						
Montana	194.5	195.6	374.7	339.9	569.2	535.5
Idaho	337.9	332.8	488.6	402.8	826.5	735.6
Wyoming	160.5	158.1	38.1	34.0	198.6	192.1
Colorado	1,023.3	1,023.1	334.8	336.4	1,358.1	1,359.5
New Mexico	267.5	265.9	102.6	115.8	370.2	381.7
Arizona	419.7	427.7	402.8	412.3	822.4	840.0
Utah	194.7	190.9	65.9	55.3	260.6	246.2
Nevada	63.6	63.5	26.5	29.8	90.1	93.3
Washington	396.6	395.9	841.5	792.7	1,238.1	1,188.6
Oregon	264.1	259.9	475.2	443.4	739.3	703.4
California	2,260.4	2,282.2	3,734.9	3,599.7	5,995.3	5,881.8
Alaska	3.1	3.1	2.4	2.3	5.5	5.4
Hawaii	47.0	48.3	195.3	194.6	242.2	242.8
UNITED STATES						
Grand Total	34,599.9	34,647.1	30,363.0	30,329.8	64,962.8	64,976.9

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

## Farm Production<sup>1</sup>

Items	1970	1971	1972	1973	1974	1975	1976	1977 <sup>2</sup>
1967=100								
Farm output . . . . .	101	111	110	112	108	114	117	121
All livestock products <sup>3</sup> . . . . .	105	108	108	105	106	101	106	108
Meat animals . . . . .	108	112	110	108	110	102	106	108
Dairy products . . . . .	100	101	102	98	98	98	103	105
Poultry and eggs . . . . .	106	107	109	106	106	103	110	111
All crops <sup>4</sup> . . . . .	101	112	113	120	109	121	122	128
Feed grains . . . . .	89	116	112	115	93	114	119	124
Hay and forage . . . . .	99	105	104	109	104	108	102	106
Food grains . . . . .	91	107	102	113	122	142	140	131
Sugar crops . . . . .	114	116	127	112	104	131	131	118
Cotton . . . . .	139	145	187	175	158	112	142	186
Tobacco . . . . .	97	86	88	88	101	110	108	98
Oil crops . . . . .	117	121	131	155	127	153	130	168
Cropland used for crops . . . . .	98	100	98	104	106	108	109	110
Crop production per acre . . . . .	104	112	115	115	103	112	112	116

<sup>1</sup> Prepared jointly by Economic Research Service and Statistical Reporting Service. For historical data and explanation of indexes, see "Changes in Farm Production and Efficiency," Statistical Bulletin 561. <sup>2</sup> Preliminary indexes for 1977 based on November 1977 "Crop Production" and other releases of the Crop Reporting Board, SRS. <sup>3</sup> Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross livestock production to compute farm output. <sup>4</sup> Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

## Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average\*

Items	January-June average			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
1967=100										
<b>Prices Received</b>										
All farm products . . . . .	180	189	188	178	194	184	180	175	174	176
All crops . . . . .	202	196	206	195	214	198	182	173	171	175
Food grains . . . . .	242	223	154	169	148	139	138	147	149	157
Feed grains and hay . . . . .	235	221	204	207	202	189	167	149	147	147
Feed grains . . . . .	237	219	196	201	192	180	158	140	138	140
Cotton . . . . .	158	246	290	278	298	272	281	271	263	243
Tobacco . . . . .	166	158	173	171	174	174	152	176	194	177
Oil-bearing crops . . . . .	205	180	282	217	319	287	237	199	188	179
Fruit . . . . .	140	132	139	159	165	156	151	169	176	221
Fresh market <sup>1</sup> . . . . .	138	131	134	163	164	156	147	170	179	233
Commercial vegetables . . . . .	163	159	195	173	170	154	158	155	159	170
Fresh market . . . . .	176	171	219	190	185	159	167	162	168	185
Potatoes <sup>2</sup> . . . . .	192	232	202	153	244	235	241	220	171	177
Livestock and products . . . . .	160	183	173	165	176	173	179	177	177	177
Meat animals . . . . .	157	181	166	151	175	170	176	173	170	171
Dairy products . . . . .	163	190	188	198	185	186	189	193	199	201
Poultry and eggs . . . . .	170	177	178	172	168	166	176	170	173	163
<b>Prices Paid</b>										
Commodities and services . . . . .										
Interest, taxes, and wage rates . . . . .	178	191	202	192	204	204	203	202	201	201
Production items . . . . .	179	193	201	192	205	203	201	199	197	198
Feed . . . . .	189	186	201	192	205	198	183	170	164	163
Feeder livestock . . . . .	124	162	156	143	166	154	161	162	161	164
Interest payable per acre on farm real estate debt . . . . .	271	303	328	303	328	328	328	328	328	328
Taxes on farm real estate . . . . .	166	176	186	176	186	186	186	186	186	186
Wage rates (seasonally adjusted) . . . . .	190	211	226	206	224	224	231	231	231	231
Production items, interest, taxes, and wage rates . . . . .	184	199	209	198	212	210	208	206	206	206
Prices received (1910-14=100) . . . . .	449	472	470	446	484	461	451	438	435	439
Prices paid, etc. (Parity index) (1910-14=100) . . . . .	603	650	686	652	695	692	690	686	685	685
Parity ratio . . . . .	74	72	69	68	70	67	65	64	64	64

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. \* Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.

Prices received by farmers, U.S. average\*

Commodities	January-June average			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Crops</b>										
All wheat (\$/bu.)	3.63	3.52	2.32	2.59	2.19	2.03	2.04	2.13	2.16	2.26p
Rice, rough (\$/cwt.)	11.08	7.12	6.99	6.48	7.30	7.24	6.87	8.02	8.12	8.74p
Corn (\$/bu.)	2.77	2.54	2.28	2.33	2.25	2.12	1.88	1.63	1.60	1.61p
Sorghum (\$/cwt.)	4.28	4.14	3.39	3.68	3.18	3.08	2.84	2.63	2.52	2.66p
All hay, baled (\$/ton)	51.90	56.50	63.40	60.10	68.10	61.30	66.80	52.50	50.00	48.20
Soybeans (\$/bu.)	5.47	4.83	8.03	5.90	9.21	8.21	6.60	5.42	5.17	4.83p
Cotton, Upland (cts./lb.)	35.6	5.55	65.4	62.5	67.2	61.1	63.1	60.9	59.1	54.7p
Potatoes (\$/cwt.)	3.57	4.83	4.12	3.17	5.20	4.77	5.14	4.56	3.49	3.12
Dry edible beans (\$/cwt.)	18.40	17.60	15.90	14.30	16.90	17.10	16.50	16.40	13.80	22.20
Apples for fresh use (cts./lb.)	12.6	8.5	11.7	12.6	12.0	12.1	13.4	12.7	13.3	12.7
Pears for fresh use (\$/ton)	178	209	121	182	117	133	140	116	181	197
Oranges, all uses (\$/box) <sup>1</sup>	1.71	1.73	1.76	1.84	2.40	2.66	2.27	2.92	3.08	5.26
Grapes, all uses (\$/box) <sup>1</sup>	1.82	1.34	1.27	2.16	1.28	1.44	1.30	2.12	2.06	2.94
<b>Livestock</b>										
Beef cattle (\$/cwt.)	31.00	35.30	34.00	32.20	36.10	34.10	34.90	34.70	34.80	35.40
Calves (\$/cwt.)	26.40	35.70	36.40	33.00	38.50	36.00	36.60	37.10	38.30	37.60
Hogs (\$/cwt.)	41.20	47.50	38.80	32.90	40.70	41.90	44.90	42.80	40.20	39.90
Lambs (\$/cwt.)	41.30	51.90	50.80	42.60	55.50	51.20	50.70	49.00	51.20	52.10
All milk, sold to plants (\$/cwt.)	8.21	9.57	9.46	9.96	9.34	9.38	9.50	9.69	10.00	10.10p
Milk, manuf. grade (\$/cwt.)	7.04	8.51	8.53	8.54	8.60	8.55	8.58	8.64	8.83	8.92p
Broilers (cts./lb.)	24.5	24.4	23.8	20.6	24.3	24.7	26.2	23.9	24.0	23.1
Eggs (cts./doz.) <sup>2</sup>	50.9	55.6	56.9	60.3	49.1	46.8	50.7	51.5	52.6	47.3
Turkeys (cts./lb.)	31.2	32.2	33.3	30.7	33.2	33.9	33.7	33.7	34.3	36.5
Wool (cts./lb.) <sup>3</sup>	41.6	61.0	74.2	70.8	75.1	73.7	73.3	71.6	71.0	73.7

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. p Preliminary. \*Historical data in SRS report *Agricultural Prices, Annual Summary 1976*.

## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Rail freight rate index<sup>1</sup></b>										
All products (1969=100)	160.8	183.9	198.2	191.1	198.2	198.2	198.4	198.4	198.5	198.5
Farm products (1969=100)	155.9	179.9	190.2	187.5	190.4	190.6	190.6	190.6	190.6	191.0
Food products (1969=100)	160.1	182.3	194.4	189.4	193.9	193.9	194.3	194.6	194.7	194.8
Rail carloadings of grain (thou. cars) <sup>2</sup>	22.5	24.6	23.1	30.1	20.3	23.1	25.9	24.6	23.6	26.7
Barge shipments of grain (mil. bu.) <sup>3</sup>	18.7	31.0	27.1	33.7	34.4	29.2	31.0	34.8	28.1	32.3
<b>Fresh fruit and vegetable shipments</b>										
Rail (thou. carlots) <sup>3, 4</sup>	4.2	3.8	2.4	2.9	2.3	3.2	1.8	1.4	1.7	1.9
Truck (thou. carlots) <sup>3, 4</sup>	15.1	17.0	15.0	15.4	18.2	19.4	15.5	13.6	12.3	13.7

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1977.



# Wholesale and Retail Prices

## Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June average			1976	1977					
	1975	1976	1977*	Oct	May*	June*	July	Aug	Sept	Oct
	1967=100									
All commodities	172.1	180.8	192.4	185.3	195.2	194.4	194.9	194.6	195.3	196.3
Industrial commodities	169.2	179.4	192.0	186.3	194.2	194.6	195.8	196.9	197.8	199.1
All foods <sup>1</sup>	183.8	180.8	185.4	175.6	190.5	188.0	189.1	187.3	186.8	187.1
Farm products and processed foods and feeds	180.1	183.7	191.4	179.5	196.8	191.5	189.3	184.2	183.9	184.2
Farm products	179.0	192.0	200.0	186.7	204.3	192.7	190.5	181.2	181.9	182.4
Fruits and vegetables <sup>2</sup>	180.2	183.9	202.4	192.4	201.8	176.2	182.0	176.4	182.8	187.9
Grains	226.1	215.0	177.9	186.7	171.2	157.7	153.3	142.5	144.2	144.7
Livestock	172.9	183.2	169.4	156.1	180.2	172.3	180.5	175.2	172.9	177.5
Poultry, live	176.2	173.2	177.1	150.5	183.1	182.7	193.7	176.1	181.7	170.5
Fibers, plant and animal	141.4	198.8	232.4	249.8	238.6	197.5	195.3	180.3	165.8	166.9
Milk	168.9	200.5	198.2	206.7	198.3	199.3	202.7	202.7	206.7	209.6
Eggs	153.5	169.7	168.1	180.7	144.4	141.4	156.6	162.0	163.3	137.6
Oilseeds	207.6	181.5	278.4	210.9	300.5	281.1	205.4	202.2	175.6	181.6
Processed foods and feeds	180.7	178.6	186.0	174.9	192.0	190.1	187.8	185.1	184.2	184.5
Meats	173.4	181.8	165.4	158.8	172.1	171.7	177.6	172.8	171.4	175.7
Beef and veal	165.7	162.8	153.1	147.7	162.5	154.8	160.6	158.9	156.5	163.8
Pork	189.3	212.9	183.0	173.6	184.6	197.3	206.2	193.5	191.7	195.5
Poultry	172.0	170.2	174.2	154.5	178.5	178.1	188.0	174.2	178.6	170.1
Fish	207.6	267.6	299.8	273.2	294.9	295.3	297.0	281.8	288.7	283.6
Dairy	149.1	167.1	170.6	169.8	174.2	174.3	175.1	175.3	175.7	175.9
Processed fruits and vegetables	170.7	167.3	183.4	174.4	185.8	187.8	188.5	190.1	191.2	190.3
Cereal and bakery products	179.6	174.1	170.8	169.9	172.0	171.3	172.0	172.1	172.8	175.4
Sugar and confectionery	291.0	203.1	179.5	176.4	184.4	176.3	172.7	180.2	174.3	170.1
Beverages	161.7	169.0	198.1	177.5	206.0	207.7	204.7	205.5	204.8	204.3
Vegetable oil and products	227.2	171.2	197.5	177.6	214.1	216.3	209.6	199.9	202.0	197.0
Textile products and apparel	135.6	146.9	152.8	149.3	154.0	154.4	154.4	154.4	155.1	155.2
Apparel	133.1	137.9	146.2	142.2	146.6	147.2	147.2	147.4	148.4	148.6
Hides, leather, and related products	145.2	164.4	178.6	170.9	181.9	179.7	180.3	180.5	179.9	179.6
Footwear	146.3	155.4	166.7	162.6	168.2	168.6	170.3	170.4	170.5	171.7
Lumber and wood products	173.8	199.2	227.3	213.6	229.3	228.7	235.5	242.7	252.4	247.3
Tobacco products	148.2	160.6	175.0	162.5	175.3	175.3	175.7	175.8	189.6	189.6

<sup>1</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. <sup>2</sup> Fresh and dried. <sup>3</sup> Subject to revision.

## Consumer Price Index, U.S. average (not seasonally adjusted)

Items	January-June average			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Consumer price index, all items	158.3	168.1	178.8	173.3	180.6	181.8	182.6	183.3	184.0	184.5
Consumer price index, less food	154.3	164.7	175.6	170.8	177.3	178.4	179.1	179.8	180.9	181.6
All food	171.9	179.9	189.3	181.6	191.7	193.6	194.6	195.2	194.5	194.4
Food away from home	171.5	183.3	196.4	189.3	199.3	200.6	201.7	203.0	203.7	204.6
Food at home	172.0	179.1	187.6	179.6	189.8	191.9	192.8	193.2	192.2	191.7
Meats <sup>1</sup>	164.7	181.3	171.3	172.7	171.3	174.4	175.8	177.4	177.7	176.3
Beef and veal	161.0	167.0	162.2	158.7	162.8	164.8	164.2	164.0	164.1	163.7
Pork	173.9	205.0	183.3	191.7	182.0	187.0	192.0	196.8	197.6	194.2
Poultry	152.2	159.3	154.8	149.2	157.6	157.6	161.2	161.1	160.3	158.5
Fish	197.8	221.4	244.0	234.4	248.8	250.8	254.3	256.7	258.8	260.3
Eggs	156.4	165.8	174.2	178.4	152.8	141.0	163.6	166.2	166.6	154.5
Dairy products <sup>2</sup>	154.6	168.0	172.1	172.7	173.1	174.3	174.1	175.1	175.4	176.2
Fats and oils <sup>3</sup>	208.5	174.6	184.3	174.3	188.5	194.7	198.7	201.0	200.1	197.8
Fruits and vegetables	168.6	175.4	194.0	175.5	195.1	196.8	194.1	192.1	183.2	184.0
Fresh	162.9	168.9	200.1	171.9	200.8	202.1	197.1	193.4	177.6	178.6
Processed	177.2	185.0	184.8	181.0	186.7	188.9	189.7	190.2	191.5	192.1
Cereals and bakery products	187.1	181.0	181.5	180.1	182.5	182.8	183.3	182.7	184.9	185.6
Sugar and sweets	260.5	221.8	224.0	213.3	230.1	232.8	232.0	232.5	233.2	234.6
Beverages, nonalcoholic	176.4	197.6	302.1	230.7	334.6	348.7	348.3	347.4	346.2	343.2
Apparel commodities less footwear	139.1	142.6	148.4	148.5	149.7	150.2	149.6	151.1	152.6	153.7
Footwear	143.6	147.7	155.5	152.8	157.0	156.8	155.9	157.3	158.1	159.1
Tobacco products	153.0	159.5	166.0	161.0	166.2	166.4	167.2	167.4	170.0	171.7
Beverages, alcoholic	141.2	145.5	149.6	148.3	150.3	150.7	151.4	151.1	151.9	152.3

<sup>1</sup> Beef, veal, lamb, mutton, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

# Farm-Retail Price Spreads

## Farm-retail price spreads

Commodities	January-June			1976	1977p					
	1975	1976	1977p	Oct	May	June	July	Aug	Sept	Oct
<b>Market basket<sup>1</sup>:</b>										
Retail cost (1967=100) . . . . .	169.5	176.0	177.9	174.4	178.0	179.3	180.4	180.8	179.7	179.2
Farm value (1967=100) . . . . .	178.0	182.8	178.0	168.7	180.0	178.1	181.3	180.7	177.6	178.0
Farm-retail spread (1967=100) . . . . .	164.0	171.7	177.9	178.0	176.9	180.1	179.8	180.9	180.8	179.2
Farmer's share (%) . . . . .	41	40	39	38	39	39	39	39	38	39
<b>Beef, choice:</b>										
Retail price <sup>2</sup> (cts./lb.) . . . . .	138.0	141.8	135.8	133.5	138.4	137.4	138.3	139.2	138.9	141.5
Carcass value <sup>3</sup> (cts.) . . . . .	100.0	91.4	88.1	84.9	93.4	91.0	92.2	90.6	91.3	95.5
Net farm value (cts./2.28 lbs.) . . . . .	88.2	80.4	77.4	75.0	82.8	79.9	81.3	79.1	80.2	84.4
Farm-retail spread (cts.) . . . . .	49.8	61.4	58.4	58.5	55.6	57.5	57.0	60.1	58.7	57.1
Carcass-retail spread <sup>4</sup> (cts.) . . . . .	38.0	50.4	47.7	48.6	45.0	46.4	46.1	48.6	47.6	46.0
Farm-carcass spread <sup>5</sup> (cts.) . . . . .	11.8	11.0	10.7	9.9	10.6	11.1	10.9	11.5	11.1	11.1
Farmer's share (%) . . . . .	64	57	57	56	60	58	59	57	58	60
<b>Pork:</b>										
Retail price <sup>2</sup> (cts./lb.) . . . . .	118.8	140.0	121.2	124.8	120.9	125.7	132.1	130.3	130.8	126.9
Wholesale value <sup>3</sup> (cts.) . . . . .	91.2	100.5	84.9	79.2	86.8	90.2	92.5	90.0	85.4	88.2
Net farm value (cts./1.97 lbs.) . . . . .	74.9	87.5	70.5	57.6	73.8	78.0	82.0	79.4	73.7	74.2
Farm-retail spread (cts.) . . . . .	43.9	52.5	50.7	67.2	47.1	47.7	50.1	50.9	57.1	52.7
Carcass-retail spread <sup>4</sup> (cts.) . . . . .	27.6	39.5	36.3	45.6	34.1	35.5	39.6	40.3	45.4	38.7
Farm-carcass spread <sup>5</sup> (cts.) . . . . .	16.3	13.0	14.4	21.6	13.0	12.2	10.5	10.6	11.7	14.0
Farmer's share (%) . . . . .	63	62	58	46	61	62	62	61	56	58
<b>Milk, fresh:</b>										
Retail price (cts./½ gal.) . . . . .	78.4	82.5	83.6	84.5	83.5	83.9	83.4	84.2	84.1	84.5
Farm value (cts./4.39 lbs. Class I) . . . . .	39.9	46.2	44.7	48.2	44.4	45.6	46.4	47.0	47.2	47.1
Farm-retail spread (cts.) . . . . .	38.5	36.3	38.9	36.3	39.1	38.3	37.0	37.2	36.9	37.4
Farmer's share (%) . . . . .	51	56	53	57	53	54	56	56	56	56
<b>Chicken, frying:</b>										
Retail price (cts./lb.) . . . . .	58.9	61.3	59.5	56.7	60.7	60.5	62.1	62.1	61.5	60.4
Farm value (cts./1.41 lbs. broilers) . . . . .	33.7	34.0	33.0	28.5	35.4	35.0	36.8	34.4	35.5	33.0
Farm-retail spread (cts.) . . . . .	25.2	27.3	26.5	28.2	25.3	25.5	25.3	27.7	26.0	27.4
Farmer's share (%) . . . . .	57	55	55	50	58	58	59	55	58	55
<b>Eggs, large grade A</b>										
Retail price (cts./doz.) . . . . .	76.3	81.2	86.0	89.0	75.4	68.7	80.9	82.0	81.7	76.1
Farm value (cts./1.03 doz.) . . . . .	49.2	54.2	56.6	58.8	46.7	41.3	53.5	54.8	54.8	47.8
Farm-retail spread (cts.) . . . . .	27.1	27.0	29.4	30.2	28.7	27.4	27.4	27.2	26.9	28.3
Farmer's share (%) . . . . .	64	67	66	66	62	60	66	67	67	63
<b>Bread, white:</b>										
Retail price (cts./lb.) . . . . .	36.8	35.3	35.4	35.3	35.5	35.3	35.6	35.6	35.7	35.5
Farm value (cts./0.867 lb. wheat) . . . . .	4.4	4.3	2.6	3.0	2.5	2.2	2.4	2.5	2.6	2.7
Farm value (cts. for all farm ingredients) . . . . .	6.9	6.2	4.4	4.7	4.4	4.0	4.2	4.3	4.4	4.5
Farm-retail spread (cts.) . . . . .	29.9	29.1	31.0	30.6	31.1	31.3	31.4	31.3	31.3	31.0
Farmer's share (%) . . . . .	19	18	12	13	12	11	12	12	12	13
<b>Lettuce:</b>										
Retail price (cts./head) . . . . .	41.4	41.2	45.3	70.1	41.4	45.4	44.0	43.6	51.6	53.6
Farm value (cts./1.88 lbs.) . . . . .	12.8	14.1	14.0	30.3	10.3	10.4	11.0	11.4	15.9	21.3
Farm-retail spread (cts.) . . . . .	28.6	27.1	31.3	39.8	31.1	35.0	33.0	32.2	35.7	32.3
Farmer's share (%) . . . . .	31	34	31	43	25	23	25	26	31	40
<b>Potatoes:</b>										
Retail price (cts./10 lbs.) . . . . .	112.6	158.7	153.3	119.6	166.5	197.4	186.1	161.6	136.2	129.2
Farm value (cts./10.42 lbs.) . . . . .	37.2	50.3	42.9	33.0	54.1	49.7	53.5	47.5	36.3	32.5
Farm-retail spread (cts.) . . . . .	75.4	108.4	110.4	86.6	112.4	147.7	132.6	114.1	99.9	96.7
Farmer's share (%) . . . . .	33	32	28	28	32	25	29	29	27	25
<b>Tomatoes:</b>										
Retail price (cts./lb.) . . . . .	60.4	58.5	73.5	59.3	77.3	57.6	54.5	64.7	58.4	59.6
Farm value (cts./1.18 lbs.) . . . . .	25.0	23.1	30.4	27.6	27.0	21.9	27.0	25.3	24.6	21.3
Farm-retail spread (cts.) . . . . .	35.4	35.4	43.1	31.7	50.3	35.7	27.5	39.4	33.8	38.3
Farmer's share (%) . . . . .	41	39	41	47	35	38	50	39	42	36
<b>Orange juice, frozen concentrate:</b>										
Retail price (cts./6-oz. can) . . . . .	27.9	29.2	31.6	28.0	33.9	33.8	34.6	35.1	37.0	38.4
Farm value (cts./3.08 lbs.) . . . . .	8.4	10.4	9.6	11.0	9.7	10.8	11.3	11.3	11.3	11.3
Farm-retail spread (cts.) . . . . .	19.5	18.8	22.0	17.0	24.2	23.0	23.3	23.8	25.7	27.1
Farmer's share (%) . . . . .	30	36	30	39	29	32	33	32	31	29
<b>Margarine:</b>										
Retail price (cts./lb.) . . . . .	67.2	53.1	54.5	52.9	56.1	58.1	59.6	60.8	61.0	59.6
Farm value (cts. for veg. oil and NFDM) . . . . .	22.8	14.4	21.9	17.6	24.9	24.6	22.0	19.8	16.2	16.6
Farm-retail spread (cts.) . . . . .	44.4	38.7	32.6	35.3	31.2	33.5	37.6	41.0	44.8	43.0
Farmer's share (%) . . . . .	34	27	40	33	44	42	37	33	27	28

<sup>1</sup> For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. <sup>2</sup> Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. <sup>3</sup> For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); Pork, 1.07 lb. of wholesale cuts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

# Livestock and Products: Prices, Supplies, and Use

## Livestock and products output and prices

Output	1976				1977					1978	
	II	III	IV	Annual	I	II	III	IV <sup>1</sup>	Annual <sup>2</sup>	I <sup>1</sup>	II <sup>1</sup>
Beef (mil. lb.)	6,145	6,618	6,412	25,667	6,285	6,162	6,320	6,150	24,917	6,150	6,075
Change (pct.) <sup>2</sup>	+10	+11	+2	+8	-3	0	-5	-4	-3	-2	-2
Pork (mil. lb.)	2,847	3,014	3,669	12,488	3,293	3,186	3,074	3,500	13,053	3,600	3,550
Change (pct.) <sup>2</sup>	-5	+18	+27	+8	+11	+12	+2	-5	+5	+9	+11
Veal (mil. lb.)	178	205	224	813	203	186	206	195	790	160	120
Change (pct.) <sup>2</sup>	-2	-12	-9	-2	-1	+4	0	-13	-3	-21	-35
Lamb and mutton (mil. lb.)	82	92	92	361	90	86	84	88	348	85	80
Change (pct.) <sup>2</sup>	-15	-12	-6	-10	-5	+5	-9	-4	-4	-6	-7
Red meats (mil. lb.)	9,252	9,929	10,397	39,329	9,871	9,620	9,684	9,933	39,108	9,995	9,825
Change (pct.) <sup>2</sup>	+4	+12	+9	+8	+1	+4	-2	-4	-1	+1	+2
Broilers (mil. lb.)	2,314	2,372	2,186	8,988	2,156	2,399	2,425	2,265	9,245	2,285	2,570
Change (pct.) <sup>2</sup>	+12	+14	+10	+13	+2	+4	+2	+4	+3	+6	+7
Turkeys (mil. lb.)	369	710	664	1,950	210	365	672	665	1,912	230	400
Change (pct.) <sup>2</sup>	+28	+14	+5	+14	+1	-1	-5	0	-2	+10	+10
Total meats (mil. lb.)	11,935	13,011	13,247	50,267	12,237	12,384	12,781	12,863	50,265	12,510	12,795
Change (pct.) <sup>2</sup>	+6	+13	+9	+9	+2	+4	-2	-3	0	+2	+3
Eggs (mil. doz.)	1,344	1,342	1,360	5,404	1,330	1,338	1,334	1,375	5,377	1,355	1,360
Change (pct.) <sup>2</sup>	+1	0	0	+1	-2	0	-1	+1	-1	+2	+2
Milk (bil. lb.)	32.4	30.2	28.6	120.4	29.8	33.1	31.0	29.3	123.3	30.7	34.1
Change (pct.) <sup>2</sup>	+4	+6	+4	+4	+2	+2	+3	+2	+2	+3	+3
Total livestock and products (1974=100)	104.7	108.2	107.4	105.6	103.1	107.5	107.6	106.3	106.1	105.3	110.5
Change (pct.) <sup>2</sup>	+5.2	+9.2	+6.2	+6.7	+1.1	+2.7	-6	-1.0	+5	+2.1	+2.8
Prices											
Choice steers, Omaha (\$ per cwt.)	41.42	37.30	39.00	39.11	37.88	40.77	40.47	40-42	—	39-41	40-42
Barrows and gilts, 7-markets (\$ per cwt.)	49.19	43.88	34.25	43.11	39.08	40.87	43.85	37-39	—	34-36	33-35
Slaughter lambs, choice, San Angelo (\$ per cwt.)	58.63	43.54	45.81	49.87	52.98	55.76	51.88	48-50	—	52-54	56-58
Broilers, 9-city wholesale (cts. per lb.) <sup>3</sup>	41.7	41.5	35.5	40.2	40.9	42.3	42.4	36-38	—	37-39	36-38
Turkeys, N.Y., wholesale (cts. per lb.) <sup>4</sup>	48.2	48.5	49.0	48.8	50.2	51.5	53.1	57-59	—	51-53	49-51
Eggs, cartonized, Grade A large, N.Y. (cts. per doz.)	63.1	71.8	78.4	70.3	74.9	57.8	61.5	57-59	—	54-56	48-50
Milk, all at farm, (\$ per cwt.)	9.26	9.66	9.86	9.66	9.54	9.38	9.73	10.15-10.25	—	10.00-10.10	10.00-10.10
Livestock prices received by farmers (1967=100)	185	175	165	177	172	174	178	176	—	174	176

<sup>1</sup> Forecast. <sup>2</sup> Change from year-earlier. <sup>3</sup> Weighted average. <sup>4</sup> 8-16 pound young hens.



# Dairy:

Items	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Milk production:</b>										
Total milk (mil. lb.)	59,377	61,621	62,962	9,643	10,295	11,103	10,715	10,410	9,907	9,902
Milk per cow (lb.)	5,314	5,572	5,727	874	1,029	1,013	977	949	903	903
Number of milk cows (thou.)	11,174	11,060	10,995	11,039	10,978	10,963	10,965	10,973	10,975	10,964
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	6.93	8.47	8.41	8.26	8.62	8.60	8.65	8.64	8.74	8.74
Price of 16% dairy ration (\$/ton)	135	137	149	145	152	149	141	132	128	125
Milk-feed price ratio (lb.) <sup>2</sup>	1.30	1.54	1.48	1.56	1.43	1.49	1.57	1.69	1.80	1.84
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	5,886	3,844	5,708	6,735	7,725	8,977	9,988	10,385	10,425	10,090
Commercial (mil. lb.)	5,576	3,719	5,299	6,676	5,976	6,541	7,058	6,978	6,910	6,358
Government (mil. lb.)	310	124	410	60	1,749	2,437	2,930	3,407	3,715	3,732
Imports, total milk equiv. (mil. lb.) <sup>3</sup>	580	797	849	151	103	148	133	137	162	—
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	2,341	84	4,744	107.7	1,043.3	953.8	501.1	532.7	38.6	161.9
<b>Butter:</b>										
Production (mil. lb.)	582.8	529.9	599.6	78.1	103.9	95.0	84.2	78.2	75.5	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	68.1	128.5	164.0	196.8	208.4	207.7	203.9
Wholesale price, Grade A Chicago (cts./lb.)	68.4	87.9	96.0	90.8	100.7	100.7	100.7	100.7	100.7	100.7
USDA net removals (mil. lb.)	81.8	.4	180.1	4.9	43.7	35.1	16.0	13.5	.3	7.0
Commercial disappearance (mil. lb.)	497.1	460.7	378.9	81.3	57.0	47.1	74.5	72.9	78.2	—
<b>American cheese:</b>										
Production (mil. lb.)	885.8	1,072.1	1,115.0	151.3	211.9	200.3	176.2	162.7	142.8	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	456.4	447.6	491.5	514.3	528.9	531.9	508.3
Wholesale price, Wisconsin assembly pt. (cts./lb.)	78.5	95.4	95.4	93.3	97.9	97.4	97.1	97.1	98.3	98.3
USDA net removals (mil. lb.)	63.2	4.7	102.6	.4	14.0	23.1	16.8	24.0	2.9	1.4
Commercial disappearance (mil. lb.)	840.6	956.6	943.2	172.0	155.9	163.0	156.0	151.3	169.4	—
<b>Other cheese:</b>										
Production (mil. lb.)	563.7	626.9	645.6	104.4	114.6	113.8	106.4	108.8	108.6	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	66.3	64.0	67.0	73.3	74.0	73.2	72.7
Commercial disappearance (mil. lb.)	630.3	696.9	717.3	121.2	122.9	124.6	122.1	126.0	124.4	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	628.8	513.6	590.6	56.5	119.6	132.7	120.7	100.6	78.4	—
Stocks, beginning (mil. lb.)	293.2	468.9	480.6	494.7	520.9	538.8	579.2	619.5	653.2	685.9
Wholesale price, avg. manf. (cts./lb.)	60.4	63.7	64.7	63.3	67.7	67.9	67.9	67.9	68.0	—
USDA net removals (mil. lb.)	369.4	63.2	226.8	8.9	62.8	78.2	67.8	62.7	38.3	26.4
Commercial disappearance (mil. lb.)	283.4	375.9	331.9	52.2	43.8	47.3	51.5	57.6	60.9	—
Frozen dessert production (mil. gal.) <sup>4</sup>	584.7	579.6	569.9	82.8	104.3	120.8	118.9	121.9	105.0	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of ration equal in value to 1 lb. of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Ice cream, ice milk, and sherbet.

# Poultry and eggs:

Items	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Eggs</b>										
Farm production (mil.)	32,031	32,422	32,012	5,320	5,477	5,215	5,304	5,373	5,325	5,592
Average number of layers on farms (mil.)	278	276	273	277	269	267	267	271	277	281
Rate of lay (eggs per layer)	115.4	117.7	117.2	19.1	20.4	19.5	19.9	19.8	19.2	19.9
Cartoned price, New York, Grade A large (cts./doz.) <sup>1</sup>	60.9	65.6	66.4	74.0	55.1	57.0	62.4	61.4	60.8	56.0
Price of laying feed (\$/ton)	148	148	162	154	166	162	153	143	138	135
Egg-feed price ratio (lb.) <sup>2</sup>	6.9	7.6	7.0	7.8	5.9	5.8	6.6	7.2	7.6	7.0
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	36	22	28	50	42	33	40	38	47	49
Frozen (mil. lb.)	54.2	36.3	26.1	28.7	25.4	28.1	31.6	35.1	34.8	33.8
Replacement chicks hatched (mil.)	253.0	267.6	284.3	37.0	52.5	44.4	37.4	37.8	37.1	37.0
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	3,894	4,430	4,555	769.5	809.9	843.7	745.5	870.4	808.2	—
Wholesale price, 9-city, (cts./lb.)	42.5	41.9	41.6	36.4	42.2	43.3	44.3	42.0	40.9	39.2
Price of broiler grower feed (\$/ton)	165	162	181	170	187	184	175	164	154	153
Broiler-feed price ratio (lb.) <sup>2</sup>	3.0	3.0	2.6	2.4	2.6	2.7	3.0	2.9	3.1	3.0
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	24.3	24.8	27.9	34.1	33.1	30.5	31.7
Average weekly placements of broiler chicks, 21 States (mil.)	58.8	56.3	68.9	58.4	71.9	71.4	66.9	63.8	62.1	63.2
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	455.4	575.2	574.9	256.6	110.0	176.5	189.6	244.4	238.2	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	49.8	48.7	50.9	47.8	50.8	50.0	50.8	53.4	55.0	57.4
Price of turkey grower feed (\$/ton)	167	167	191	176	200	196	188	176	172	168
Turkey-feed price ratio (lb.) <sup>2</sup>	3.8	3.9	3.5	3.5	3.3	3.5	3.6	3.8	4.0	4.3
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	459.7	130.3	137.9	201.2	251.6	327.6	408.4
Poults hatched (mil.)	92.1	103.2	101.0	5.0	21.0	18.9	15.4	8.1	4.5	5.2

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers; wholesale price series discontinued June 1. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

# Meat animals:

Items	January-June			1976	1977					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup>	9,353	6,369	8,537	6,578	7,196	7,053	6,872	6,866	6,718	6,948
Placed on feed (thou. head) <sup>2</sup>	7,851	7,780	8,495	2,301	1,599	1,448	1,491	1,503	1,837	2,891
Marketings (thou. head)	9,195	7,614	9,282	1,491	1,489	1,548	1,442	1,593	1,540	1,584
Other disappearance (thou. head)	863	529	671	86	253	101	55	58	67	115
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	15.9	14.7	15.0	16.1	19.0	19.2	21.5	24.2	24.2	23.7
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	12.2	14.9	20.9	13.7	18.8	20.7	23.8	26.4	24.1	22.7
<b>Commercial slaughter (thou. head)</b>										
Cattle	17,331	19,283	21,083	3,660	3,299	3,627	3,307	3,751	3,571	—
Steers	9,880	9,423	9,364	1,574	1,607	1,809	1,587	1,759	1,589	—
Heifers	4,027	4,736	6,140	1,058	910	957	900	1,066	1,086	—
Cows	3,080	4,643	5,078	948	706	780	744	840	814	—
Bulls and stags	344	481	501	80	76	80	76	86	82	—
Calves	1,199	2,205	2,565	480	419	442	421	485	475	—
Sheep and lambs	4,302	3,869	3,277	574	492	570	486	578	588	—
Hogs	41,163	36,567	34,252	7,211	6,134	5,957	5,120	6,411	6,762	—
<b>Commercial production (mil. lb.)</b>										
Beef	11,072	11,435	12,637	2,203	1,991	2,181	1,969	2,229	2,122	—
Veal	167	348	384	75	61	66	62	73	71	—
Lamb and mutton	228	197	177	31	26	29	25	29	30	—
Pork	6,909	5,967	5,678	1,188	1,044	1,022	869	1,074	1,131	—
<b>Market prices</b>										
Dol. per 100 pounds										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	42.74	41.88	40.06	37.88	41.98	40.24	40.94	40.11	40.35	42.29
Utility cows, Omaha	30.06	20.50	27.51	22.72	26.57	25.64	25.23	25.38	26.12	24.89
Choice vealers, S. St. Paul	58.78	40.43	47.42	47.25	54.92	51.60	46.95	46.20	41.54	42.50
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	43.79	31.03	41.54	36.72	41.72	39.90	40.64	41.99	40.85	40.82
<b>Slaughter hogs:</b>										
Barrows and gilts, No. 1&2, Omaha <sup>4</sup>	34.82	43.60	49.62	33.10	42.60	44.98	46.62	44.81	41.71	41.40
Barrows and gilts, 7-markets	33.20	42.73	48.59	32.66	41.79	43.86	45.76	44.38	41.40	40.83
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	28.67	39.55	46.46	21.75	40.91	35.18	36.90	39.84	37.46	34.94
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	42.72	43.96	55.06	44.25	55.56	52.10	50.42	51.46	53.75	55.69
Ewes, Good, San Angelo	18.64	16.02	18.08	16.12	16.62	16.00	14.58	16.75	19.62	19.69
<b>Feeder lambs:</b>										
Choice, San Angelo	39.86	39.88	54.20	47.31	51.38	46.15	47.33	50.75	54.31	55.75
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	68.07	68.44	62.96	58.36	64.44	62.62	63.65	62.49	63.04	65.87
Canner and Cutter cow beef	61.78	41.74	55.55	46.44	53.31	52.42	51.69	51.12	50.73	48.46
Pork loins, 8-14 lb.	70.58	66.53	93.09	72.55	83.14	87.94	91.66	85.21	85.52	85.60
Pork bellies, 12-14 lb.	46.30	67.59	61.36	47.94	57.10	58.51	63.55	63.96	55.04	49.15
Hams, skinned, 14-17 lb.	59.64	71.34	83.07	69.67	70.39	72.10	72.58	75.47	75.77	84.62

Items	First Half			1976			1977			
	1975	1976	1977	II	III	IV	I	II	III	IV
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	9,619	12,327	11,945	10,895	10,053	9,280	11,945	10,618	9,761	9,777
Placed on feed (thou. head) <sup>2</sup>	10,308	11,042	11,612	5,615	5,702	8,767	5,597	6,008	6,472	—
Marketings (thou. head)	10,540	12,285	12,611	5,939	6,201	5,689	6,442	6,152	6,164	—
Other disappearance (thou. head)	845	1,031	1,196	518	274	413	482	713	292	—
<b>Hogs and pigs (14-States):<sup>6</sup></b>										
Inventory (thou. head) <sup>1</sup>	47,170	41,855	47,020	40,865	46,085	48,785	47,020	44,000	46,140	50,120
Breeding (thou. head) <sup>1</sup>	6,283	6,368	6,774	6,706	7,049	6,813	6,774	7,001	7,235	7,324
Market (thou. head) <sup>1</sup>	40,887	35,487	40,246	34,159	39,036	41,972	40,246	36,999	38,905	42,796
Farrowings (thou. head)	4,206	4,959	5,202	2,910	2,523	2,520	2,319	2,883	2,766	2,771
Pig crop (thou. head)	30,009	36,044	37,080	21,478	18,416	17,939	15,723	21,357	20,006	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973; not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago. <sup>6</sup> Quarters are Dec. Preceding year-Feb. (II), Mar-May (III), June-Aug (IV), and Sept-Nov (V). <sup>7</sup> Intentions.

## Wool:

Items	January-June			1976	1977					
	1974	1975	1976	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston <sup>1</sup> (cts./lb.)	199	130	177	192	183	183	183	183	182	182
Imported wool price, Boston <sup>2</sup> (cts./lb.)	242	180	209	228	225	224	225	220	223	223
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	40,716	42,451	58,553	7,943	7,680	9,469	5,220	7,462	8,565	n.a.
Carpet wool (thou. lb.)	11,310	7,699	7,056	1,191	1,077	1,345	615	1,150	1,149	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. <sup>3</sup> No quotations reported. n.a. Not available.

# Crops and Products: Prices, Supplies, and Use

## Supply and utilization of major crops<sup>1</sup>

	Domestic measure <sup>1</sup>				Metric measure <sup>2</sup>			
Commodity	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability *			Projected	Probable variability *
Wheat:								
Mil. acres								
Area								
Planted	75.1	80.2	74.4	—	30.4	32.5	30.1	—
Harvested	69.6	70.8	66.6	—	28.2	28.7	27.0	—
Bu. per acre								
Yield per harvested unit	30.7	30.3	30.4	—	2.1	2.0	2.0	—
Mil. bu.								
Beginning stocks	435	664	1,111	—	11.8	18.1	30.2	—
Production	2,135	2,147	2,027	+30 to -30	58.1	58.4	55.2	+0.8 to -0.8
Imports	2	3	2	—	.1	.1	.1	—
Supply, total	2,572	2,814	3,140	—	70.0	76.6	85.5	—
Domestic	735	753	858	+45 to .45	20.0	20.5	23.4	+1.2 to -1.2
Exports	1,173	950	1,100	+100 to -100	31.9	25.8	29.9	+2.7 to -2.7
Use, total	1,908	1,703	1,958	+135 to -135	51.9	46.3	53.3	+3.7 to -3.7
Ending stocks	664	1,111	1,182	+165 to -165	18.1	30.2	32.2	+4.5 to -4.5
Dol. per bu.								
Price received by farmers	3.55	2.85	<sup>3</sup> 2.15-2.35	—	130.44	104.72	<sup>3</sup> 79.86	—
Price, Kansas City, No. 1 HRW	3.74	2.88	<sup>4</sup> 2.40	—	137.42	105.82	<sup>4</sup> 88.18	—
Rice:								
Mil. acres								
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.82	2.51	2.21	—	1.14	1.02	.90	—
Harvested	2.80	2.50	2.20	—	1.13	1.01	.89	—
Lb. per acre								
Yield per harvested unit	4,567	4,679	4,500	—	5.12	5.24	5.04	—
Mil. cwt.								
Beginning stocks	7.1	36.9	39.7	—	.32	1.67	1.81	—
Production	128.0	117.0	99.1	+2 to -2	5.80	5.31	4.49	+1.10 to -1.10
Imports	—	—	—	—	—	—	—	—
Supply, total	135.1	153.9	138.8	—	6.12	6.98	6.30	—
Domestic	40.2	42.8	45.3	+2 to -2	1.82	1.94	2.05	+0.09 to -0.09
Exports	56.5	65.6	68.0	+5 to -5	2.56	2.98	3.08	+0.23 to -0.23
Use, total	96.7	108.4	113.3	+5 to -5	4.39	4.92	5.14	+0.23 to -0.23
Ending stocks	36.9	39.7	25.5	+7 to -7	1.67	1.81	1.15	+0.32 to -0.32
Difference unaccounted	+1.5	+5.8	—	—	+0.6	+2.6	—	—
Dol. per cwt.								
Price received by farmers	8.34	6.63	<sup>3</sup> 8.00-9.00	—	183.86	146.16	<sup>3</sup> 176.198	—
Price, long-grain milled, S.W. La.	17.20	14.60	<sup>4</sup> 16.63	—	379.19	321.87	<sup>4</sup> 366.62	—
Feed grains: <sup>5</sup>								
Mil. acres								
Area								
Planted	123.4	129.5	128.7	—	49.9	52.3	52.1	—
Harvested	105.1	106.8	107.7	—	42.5	43.2	43.6	—
Tons per acre								
Yield per harvested unit	1.93 <sup>3</sup>	1.99	2.06	—	4.34	4.46	4.62	—

See footnotes at end of table.



Supply and utilization of major crops<sup>1</sup>—Continued

Domestic measure <sup>2</sup>					Metric measure <sup>2</sup>			
Commodity	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability*			Projected	Probable variability*
Mil. short tons					Mil. metric tons			
Beginning stocks	16.8	19.0	32.9	—	15.2	17.2	29.8	—
Production	203.3	212.4	221.9	+4 to -4	184.4	192.7	201.3	+4 to -4
Imports	.5	.3	.3	—	.5	.3	.3	—
Supply, total	220.6	231.7	255.1	—	200.1	210.2	231.4	—
Feed	127.7	123.2	131.2	+8 to -8	115.8	111.8	119.0	+7 to -7
Food, seed, and industrial uses	18.8	19.8	20.4	—	17.1	18.0	18.5	—
Domestic, total	146.5	143.0	151.6	+8 to -8	132.9	129.8	137.5	+7 to -7
Exports	55.1	55.8	55.5	+3 to -3	50.0	50.6	50.4	—
Use, total	201.6	198.8	207.1	+9 to -9	182.9	180.4	187.9	—
Ending stocks	19.0	32.9	48.0	+6 to -6	17.2	29.8	43.5	—
Corn:								
Mil. acres					Mil. hectares			
Area								
Planted	78.2	84.1	82.4	—	31.6	34.0	33.3	—
Harvested	67.2	71.1	69.6	—	27.2	28.8	28.1	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	86.2	87.4	91.5	—	5.41	5.49	5.75	—
Mil. bu.					Mil. metric tons			
Beginning stocks	359	398	879	—	9.1	10.1	22.4	—
Production	5,797	6,216	6,367	+140 to -140	147.3	157.9	161.7	+3.6 to -3.6
Imports	2	2	1	—	.1	.1	( <sup>b</sup> )	—
Supply, total	6,158	6,616	7,247	—	156.5	168.1	184.1	—
Feed	3,558	3,538	3,775	+200 to -200	90.4	89.8	95.9	+5.1 to -5.1
Food, seed, and industrial uses	491	515	530	+10 to -10	12.5	13.1	13.5	+2 to -2
Domestic, total	4,049	4,053	4,305	+200 to -200	102.9	102.9	109.4	+5.1 to -5.1
Exports	1,711	1,684	1,700	+100 to -100	43.5	42.8	43.2	+2.5 to -2.5
Use, total	5,760	5,737	6,005	+250 to -250	146.4	145.7	152.6	+6.4 to -6.4
Ending stocks	398	879	1,242	+200 to -200	10.1	22.4	31.5	+5.1 to -5.1
Dol. per bu.					Dol. per metric ton			
Price received by farmers	2.54	<sup>3</sup> 2.20	2.00-2.20	—	99.99	<sup>3</sup> 86.61	79-86	—
Price, Chi., No. 2 yellow	2.75	2.31	<sup>4</sup> 1.84	—	108.26	90.94	<sup>4</sup> 72.44	—
Soybeans:								
Mil. acres					Mil. hectares			
Area								
Planted	54.7	50.3	59.3	—	22.1	20.4	24.0	—
Harvested	53.8	49.4	58.1	—	21.8	20.0	23.5	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	28.8	25.6	28.9	—	1.94	1.72	1.94	—
Mil. bu.					Mil. metric tons			
Beginning stocks	185	245	103	—	5.0	6.7	2.8	—
Production	1,546	1,265	1,683	+40 to -40	42.1	34.4	45.8	+1.1 to -1.1
Supply, total	1,731	1,510	1,786	+40 to -40	47.1	41.1	48.6	+1.1 to -1.1
Crushings	865	790	845	+40 to -40	23.5	21.5	23.0	+1.1 to -1.1
Exports	555	564	610	+35 to -35	15.1	15.3	16.6	+1.0 to -1.0
Seed, feed, and residual	66	<sup>6</sup> 53	81	—	1.8	<sup>6</sup> 1.4	2.2	—
Use, total	1,486	1,407	1,536	+50 to -50	40.4	38.3	41.8	+1.4 to -1.4
Ending stocks	245	103	250	+50 to -50	6.7	2.8	6.8	+1.4 to -1.4
Dol. per bu.					Dol. per metric ton			
Price received by farmers	4.92	<sup>3</sup> 7.00	4.75-5.25	—	180.78	<sup>3</sup> 257	175-193	—
Price, Chi., No. 1 yellow	5.25	7.36	<sup>4</sup> 5.13	—	192.90	270.43	<sup>4</sup> 188.50	—
Soybean oil:								
Mil. lb.					Thou. metric tons			
Beginning stocks	561	1,251	766	—	254	567	347	—
Production	9,630	8,578	9,319	+400 to -400	4,368	3,891	4,227	+181 to -181
Supply, total	10,191	9,829	10,085	—	4,623	4,458	4,575	—
Domestic	7,964	7,516	7,650	+400 to -400	3,612	3,409	3,470	+181 to -181
Exports	976	1,547	1,425	+200 to -200	443	702	646	+91 to -91
Use, total	8,940	9,063	9,075	+300 to -300	4,055	4,111	4,116	+136 to -136
Ending stocks	1,251	766	1,010	+200 to -200	567	347	458	+91 to -91
Cts. per lb.					Cts. per kilogram			
Price, crude, Decatur	18.3	23.9	15-21	—	40.3	52.7	33.1-46.3	—

See footnotes at end of table.

# Supply and utilization of major crops<sup>1</sup>—Continued

Commodity	Domestic measure <sup>1</sup>				Metric measure <sup>2</sup>			
	1975/76	1976/77 estimated	1977/78		1975/76	1976/77 estimated	1977/78	
			Projected	Probable variability*			Projected	Probable variability*
Soybean meal:			Thou. short tons				Thou. metric tons	
Beginning stocks	358	355	228	—	325	322	207	—
Production	20,754	18,488	20,342	+900 to -900	18,828	16,772	18,454	+816 to -816
Supply, total	21,112	18,843	20,570	—	19,152	17,094	18,661	—
Domestic	15,612	14,056	15,500	+700 to -700	14,163	12,751	14,061	+635 to -635
Exports	5,145	4,559	4,700	+300 to -300	4,667	4,136	4,264	+272 to -272
Use, total	20,757	18,615	20,200	+800 to -800	18,830	16,887	18,325	+726 to -726
Ending stocks	355	228	370	+100 to -100	322	207	336	+91 to -91
			Dol. per short ton				Dol. per metric ton	
Price, bulk, Decatur, 44%	147.77	199.80	120-160	—	162.90	220.26	132-176	—
Cotton: <sup>7</sup>			Mil. acres				Mil. hectares	
Area								
Planted	9.5	11.7	13.4	—	3.8	4.7	5.4	—
Harvested	8.8	10.9	13.2	—	3.6	4.4	5.3	—
			Lb. per acre				Metric tons per hectare	
Yield per harvested unit	453	465	503	—	51	52	56	—
			Mil. 480-lb. bales				Mil. metric tons	
Beginning stocks	<sup>8</sup> 5.7	<sup>8</sup> 3.7	2.9	—	<sup>8</sup> 1.2	<sup>8</sup> .8	.6	—
Production	8.3	10.6	13.8	+6 to -6	1.8	2.3	3.0	+1 to -1
Supply, total <sup>9</sup>	14.1	14.3	16.8	—	3.1	3.1	3.7	—
Mill use	7.3	6.7	6.7	+3 to -3	1.6	1.5	1.5	+1 to -1
Exports	3.3	4.8	4.4	+5 to -5	.7	1.0	1.0	+1 to -1
Use, total	10.6	11.5	11.1	+8 to -8	2.3	2.5	2.4	+2 to -2
Difference unaccounted <sup>10</sup>	.2	.1	.1	—	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	—
Ending stocks	<sup>9</sup> 3.7	2.9	5.8	+8 to -8	<sup>8</sup> .8	.6	1.3	+2 to -2
			Cts. per lb.				Cts. per kilogram	
Price received by farmers	51.3	<sup>3</sup> 65.0	—	—	113.1	<sup>3</sup> 143.3	—	—
Price, SLM, 1-1/16 in., spot	58.0	70.9	—	—	127.9	156.3	—	—

<sup>1</sup> Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. <sup>2</sup> Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59480-pound bales of cotton. <sup>3</sup> Season average estimate. <sup>4</sup> Average for beginning of marketing year through October 1977. <sup>5</sup> Corn, sorghum, oats, and barley. <sup>6</sup> Since reported disappearance exceeds calculated disappearance, this implies the 1976 crop was underestimated. Final 1977 production data will be released in January. <sup>7</sup> Upland and extra long staple. <sup>8</sup> Based on Census Bureau data. <sup>9</sup> Includes imports. <sup>10</sup> Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. <sup>11</sup> Less than 0.05.

\*The "probable variability" reflects the SRS estimate of "root mean square error" for production. The chances are about 2 out of 3 that the final outcome would fall within the indicated range. Comparable estimates of variability are used for other items in the supply and utilization balance.

## Feed grains:

	Marketing year <sup>1</sup>			1976						
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	2.49	2.41	2.27	2.05	1.78	1.80	1.84
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.04	4.46	3.49	3.88	3.53	3.28	3.15	2.73	2.78	3.05
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.34	2.46	2.13	1.76	1.63	1.50	1.58	1.66
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup>	4.16	3.52	3.13	3.55	2.83	2.38	2.02	1.92	2.15	2.24
Exports:										
Corn (mil. bu.)	1,149	1,711	1,684	180	140	127	117	122	138	*108
Feed grains (mil. short tons) <sup>3</sup>	39.4	55.1	55.8	5.8	4.5	3.9	4.1	4.1	4.6	*3.5
	Marketing year <sup>1</sup>			1976			1977			
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn:										
Stocks, beginning (mil. bu.)	483	359	398	2,823	1,861	398	4,861	3,273	2,351	879
Domestic use:										
Feed (mil. bu.)	3,191	3,558	3,547	551	769	1,135	1,060	545	798	—
Food, seed, ind. (mil. bu.)	450	491	515	92	162	121	128	96	170	—
Feed grains: <sup>3</sup>										
Stocks, beginning (mil. short tons)	23.7	16.8	19.1	95.6	62.8	30.0	163.1	108.7	77.0	—
Domestic use:										
Feed (mil. short tons)	115.6	127.6	123.4	19.1	27.4	40.5	35.8	18.4	28.3	—
Food, seed, ind. (mil. short tons)	17.7	18.8	19.8	4.0	6.1	4.4	4.8	4.2	6.4	—

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 70% or better plump. <sup>3</sup> Aggregated data for corn, sorghum, oats and barley. \*Based on Inspections for Export.

## Food grains:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct
<b>Wholesale prices:</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	4.20	3.74	2.88	2.77	2.36	2.31	2.35	2.31	2.47	2.56
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	4.57	3.74	2.96	2.79	2.59	2.43	2.29	2.22	2.51	2.61
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.21	7.38	5.84	5.58	5.85	5.91	6.09	6.32
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	8.38	6.92	6.50	6.59	6.69	7.02	7.19
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	21.50	17.20	14.60	14.00	16.45	16.25	16.25	15.95	16.20	17.75
<b>Wheat:</b>										
Exports (mil. bu.)	1,018	1,173	950	104	72	82	88	97	115	72
Mill grind (mil. bu.)	538	572	593	51	47	46	44	52	49	—
Wheat flour production (mil. cwt.)	239	255	263	23	21	21	19	23	22	—

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
<b>Wheat:</b>										
Stocks, beginning (mil. bu.)	340	435	664	936	664	2,186	1,780	1,388	1,111	2,397
<b>Domestic use:</b>										
Food (mil. bu.)	521	559	553	89	188	144	138	83	182	—
Feed and seed (mil. bu.) <sup>4</sup>	165	176	202	29	39	42	75	46	178	—
Exports (mil. bu.)	1,019	1,173	950	154	399	220	179	152	382	—

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.

## Vegetables:

	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Wholesale Prices:</b>										
Potatoes, white, f.o.b. East (\$/cwt.)	4.36	6.92	6.83	4.10	7.16	6.86	5.06	4.07	3.39	4.46
Iceberg lettuce (\$/cwt.) <sup>1</sup>	2.54	3.08	2.78	4.94	2.85	2.68	3.12	3.06	3.68	3.96
Tomatoes (\$/cwt.) <sup>2</sup>	6.88	6.86	7.13	6.08	7.38	5.68	7.83	5.64	5.29	5.84
<b>Wholesale price index, 10 canned</b>										
veg. (1967=100)	171	156	170	166	175	176	176	169	169	169
<b>Grower price index, fresh commercial</b>										
veg. (1967=100)	176	171	219	190	185	159	167	162	168	185

<sup>1</sup> Std. carton 24's, f.o.b. shipping point. <sup>2</sup> 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

## Fruit:

	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Wholesale price indexes:</b>										
Fresh fruit (1967=100)	164.1	154.6	176.9	184.6	187.9	170.3	172.7	184.0	192.1	183.6
Dried fruit (1967=100)	216.1	209.6	357.0	244.4	357.2	357.2	353.3	353.3	356.9	283.0
Canned fruit and juice (1967=100)	175.1	170.3	186.1	179.8	188.6	190.7	190.5	191.0	192.8	194.5
Frozen fruit and juice (1967=100)	155.1	160.9	179.7	152.5	184.7	193.6	194.1	205.7	212.6	212.6
<b>F.o.b. shipping point prices:</b>										
Apples, Yakima Valley (\$/cwt.) <sup>1</sup>	36.62	32.85	17.44	8.42	n.a.	n.a.	n.a.	n.a.	9.15	9.28
Pears, Yakima Valley (\$/box) <sup>2</sup>	26.42	31.92	18.16	6.50	n.a.	n.a.	n.a.	n.a.	n.a.	7.49
Oranges, U.S. avg. (\$/box)	6.45	6.38	7.30	7.75	7.22	7.49	7.98	9.04	9.10	11.66
Grapefruit, U.S. avg. (\$/box)	6.37	5.74	6.39	6.39	6.50	6.82	6.98	7.33	6.80	7.87
<b>Stocks, beginning:</b>										
Fresh apples (mil. lb.)	6,491.3	8,504.2	7,206.9	353.2	604.7	329.4	167.0	57.3	14.6	1,068.3
Fresh pears (mil. lb.)	441.7	486.9	691.3	239.0	51.8	23.5	.3	48.2	159.9	398.9
Frozen fruit (mil. lb.)	3,023.7	2,621.3	2,679.5	517.2	378.3	381.8	455.6	585.5	621.6	626.6
Frozen fruit juices (mil. lb.)	5,677.6	7,522.6	6,568.3	1,111.1	1,224.5	1,310.1	1,189.5	1,092.8	895.8	757.8

<sup>1</sup> Red Delicious, regular storage, Washington extra fancy, carton tray pack. 80-125's. <sup>2</sup> D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

## Cotton:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	41.7	58.0	70.9	77.0	70.7	61.1	58.2	52.5	49.3	49.1
<b>Northern Europe prices:</b>										
Index (cts./lb.) <sup>3</sup>	52.5	65.3	81.7	86.8	81.2	71.8	67.1	62.7	60.0	59.2
U.S., SM 1-1/16 in. (cts./lb.) <sup>4</sup>	56.4	71.4	82.4	89.4	83.1	72.5	66.5	63.6	62.1	61.3
U.S. mill consumption (thou. bales)	5,833.7	7,227.7	6,672.0	544.8	524.2	636.0	407.7	510.2	618.5	—
Exports (thou. bales)	3,925.9	3,311.3	4,783.6	226.1	418.8	486.0	294.5	189.5	209.2	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths.



## Fats and oils:

	Marketing year <sup>1</sup>			1976	1977					
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	6.33	5.25	7.36	6.23	9.50	8.18	6.29	5.66	5.21	5.05
Crushings (mil. bu.) . . . . .	701.3	865.1	790.2	72.9	61.2	56.2	50.6	49.1	51.9	—
Processing margin (\$/bu.) <sup>2</sup> . . . . .	.17	.16	.19	.13	.21	.30	.14	.28	.42	—
Exports (mil. bu.) . . . . .	420.7	555.1	564.0	60.1	55.1	31.0	27.2	18.1	15.0	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.) . . . . .	30.7	18.3	23.9	20.7	31.3	28.3	23.8	21.1	19.2	18.8
Production (mil. lb.) . . . . .	7,376.2	969.9	8,578	807.4	682.4	631.1	566.6	553.6	578.2	—
Domestic disappearance (mil. lb.) . . . . .	6,518.5	7,906.1	7,516	589.1	588.0	645.5	544.4	569.3	680.6	—
Exports (mil. lb.) . . . . .	1,028.3	975.8	1,547	108.5	217.0	164.5	157.8	72.2	66.1	—
Stocks, beginning (mil. lb.) . . . . .	793.5	560.6	1,251	1,250.6	1,478.9	1,355.0	1,168.4	1,032.0	937.3	765.6
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton) . . . .	130.86	147.77	199.80	169.60	258.25	225.30	162.00	140.30	143.60	135.00
Production (thou. ton) . . . . .	16,701.5	20,754.2	18,488	1,747.2	1,454.0	1,339.5	1,211.3	1,187.0	1,243.1	—
Domestic disappearance (thou. ton) . . . . .	12,501.3	15,551.6	14,056	1,266.3	1,015.3	1,116.4	956.9	1,035.0	992.8	—
Exports (thou. ton) . . . . .	4,298.8	5,144.8	4,559	405.8	473.9	239.6	244.5	276.1	292.7	—
Stocks, beginning (thou. ton) . . . . .	507.3	358.3	3,559	354.9	449.0	408.3	390.7	399.0	270.3	227.9
Margarine, wholesale price, Chicago (cts./lb.) . . . .	44.3	37.9	31.4	32.0	44.3	43.9	42.4	40.3	38.5	—

<sup>1</sup>Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. <sup>2</sup>Spot basis, Illinois shipping points.

## Sugar:

	January-June			1976	1977					
	1975	1976	1977	Oct	May	June <sup>1</sup>	July	Aug	Sept	Oct
Wholesale price, N.Y. (\$/cwt.) <sup>1</sup> . . . . .	27.67	15.45	11.31	10.65	11.34	10.28	10.15	11.21	10.41	10.23
U.S. deliveries (thou. short tons) <sup>1 2</sup> . . . . .	4,337	5,300	5,404	853	875	1,027	975	1,127	<sup>3</sup> 1,006	<sup>3</sup> 915

<sup>1</sup>Raw value. <sup>2</sup>Excludes Hawaii. <sup>3</sup>Preliminary.

## Tobacco:

	Annual			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
<b>Prices at auctions:</b>										
Flue-cured (cts./lb.) <sup>1</sup> . . . . .	99.8	110.4	118.0	112.4	—	—	88.7	115.6	131.7	115.2
Burley (cts./lb.) <sup>1</sup> . . . . .	105.6	114.2	—	—	—	—	—	—	—	—
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.) . . . . .	264.7	288.0	<sup>3</sup> 298.6	52.2	46.9	55.1	43.3	56.2	—	—
Large cigars (mil.) . . . . .	2,808	2,656	<sup>3</sup> 2,491	514.7	460.2	470.6	361.2	405.1	—	—

<sup>1</sup>Crop Year July-June for flue-cured, October-September for burley. <sup>2</sup>Taxable removals. <sup>3</sup>Subject to revision.

## Coffee:

	January-June			1976	1977p					
	1975	1976	1977p	Oct	May	June	July	Aug	Sept	Oct
Composite green price, N.Y. (cts./lb.) . . . . .	62.05	118.12	283.82	164.53	295.95	269.81	246.15	240.17	236.02	221.70
Imports, green bean equivalent (mil. lb.) <sup>1</sup> . . . . .	1,339	1,541	1,429	143	184	172	115	104	100	n.a.
	January-June			1975	1976			1977p		
	1975	1976	1977p	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Roastings (mil. lb.) <sup>2</sup> . . . . .	1,215	1,401	1,059	612	742	659	510	611	629	430

<sup>1</sup>Green and processed coffee. <sup>2</sup>Instant soluble and roasted coffee. p preliminary. n.a. not available.

# General Economic Data

## Gross national product and related data

Items	First Half			1975		1976 <sup>1</sup>				1977		
	1975	1976	1977	IV	I	II	III	IV	I	II	III	IV
\$ bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national product <sup>4</sup>	1,474.8	1,671.6	1,840.4	1,600.7	1,651.2	1,691.9	1,727.3	1,755.4	1,810.8	1,869.9	1,914.9	
Personal consumption expenditures	951.2	1,067.2	1,183.2	1,024.1	1,056.0	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0	1,216.9	
Durable goods	125.3	155.0	177.8	144.3	153.3	156.7	159.3	166.3	177.0	178.6	178.0	
Nondurable goods	400.2	433.8	470.5	421.9	430.4	437.1	444.7	458.8	466.6	474.4	478.6	
Clothing and shoes	68.2	74.2	79.8	73.0	74.2	74.3	76.9	79.9	79.3	80.4	83.3	
Food and beverages	205.2	221.6	241.4	215.4	219.3	223.9	227.0	232.0	237.9	244.8	245.8	
Services	425.7	478.5	535.0	457.9	472.4	484.6	498.2	513.9	528.8	541.1	560.3	
Gross private domestic investment	173.2	237.8	283.4	204.7	231.3	244.4	254.3	243.4	271.8	294.9	302.3	
Fixed investment	196.7	221.4	265.6	208.4	216.8	226.1	232.8	244.3	258.0	273.2	279.2	
Nonresidential	148.8	157.6	179.7	150.7	155.4	159.8	164.9	167.6	177.0	182.4	186.7	
Residential	48.0	63.8	85.9	57.6	61.4	66.3	67.8	76.7	81.0	90.8	92.5	
Change in business inventories	-23.6	16.4	17.8	-3.6	14.5	18.3	21.5	-9	13.8	21.7	23.1	
Net exports of goods and services	19.8	10.2	-9.0	20.8	10.2	10.2	7.9	3.0	-8.2	-9.7	-7.6	
Exports	145.0	157.2	174.2	152.1	153.9	160.6	168.4	168.5	170.4	178.1	180.4	
Imports	125.1	147.0	183.2	131.3	143.7	150.4	160.6	165.6	178.6	187.7	188.1	
Government purchases of goods and services	330.6	356.2	382.8	351.0	353.6	358.9	363.0	370.0	374.9	390.6	403.3	
Federal	120.7	128.0	140.0	128.1	127.6	128.5	130.2	134.2	136.3	143.6	149.3	
State and local	209.8	228.2	242.8	222.9	225.9	230.4	232.7	235.8	238.5	247.0	254.0	
1972 \$ bil. (Quarterly data seasonally adjusted at annual rates)												
Gross national product	1,179.0	1,263.8	1,320.8	1,229.8	1,256.0	1,271.5	1,283.7	1,287.4	1,311.0	1,330.7	1,346.1	
Personal consumption expenditures	763.6	811.4	852.2	792.8	807.2	815.5	822.7	839.8	850.4	854.1	858.7	
Durable goods	107.6	126.0	137.4	120.2	125.4	126.6	127.1	130.7	136.9	137.9	136.5	
Nondurable goods	305.1	317.7	329.8	311.5	316.1	319.3	321.5	329.4	329.7	330.0	330.3	
Clothing and shoes	60.0	63.7	65.8	63.5	63.9	63.4	64.7	66.8	65.5	66.0	67.5	
Food and beverages	151.1	157.4	165.9	153.5	156.1	158.6	160.1	163.9	165.4	166.4	165.9	
Services	351.0	367.6	385.0	361.2	365.6	369.6	374.0	379.7	383.8	386.3	391.9	
Gross private domestic investment	132.0	171.6	192.0	149.2	168.1	175.2	179.4	169.2	186.7	197.2	199.9	
Fixed investment	150.9	160.8	180.5	153.8	158.4	163.1	165.6	171.0	177.0	184.0	184.6	
Nonresidential	114.3	114.8	125.4	111.3	113.7	115.9	118.5	119.0	124.3	126.4	127.1	
Residential	36.6	46.0	55.2	42.6	44.8	47.1	47.1	52.0	52.7	57.6	57.5	
Change in business inventories	-19.0	10.9	11.4	-4.6	9.7	12.1	13.8	-1.8	9.7	13.2	15.4	
Net exports of goods and services	22.5	16.6	10.0	22.3	16.8	16.4	17.0	13.8	10.6	9.4	11.9	
Exports	88.6	94.2	97.7	92.8	93.1	95.2	97.9	96.9	96.9	98.5	99.9	
Imports	66.0	77.6	87.7	70.6	76.3	78.9	80.9	83.1	86.3	89.1	88.0	
Government purchases of goods and services	260.8	264.2	266.6	265.4	263.9	264.4	264.6	264.6	263.3	270.0	275.6	
Federal	96.2	96.2	99.0	97.4	96.4	96.1	96.7	97.1	97.0	101.1	104.2	
State and local	164.6	168.0	167.6	168.0	167.5	168.4	168.0	167.5	166.4	168.9	171.4	
New plant and equipment expenditures (\$ bil.)	113.5	116.42	132.31	111.80	114.72	118.12	122.55	125.22	130.16	134.24	138.43	
Implicit price deflator for GNP (1972=100)	125.08	132.26	139.32	130.17	131.47	133.06	134.56	136.35	138.13	140.52	142.25	
Disposable income (\$ bil.)	1,058.8	1,163.7	1,272.4	1,124.1	1,153.3	1,174.1	1,193.3	1,222.6	1,252.4	1,292.5	1,321.7	
Disposable income (1972 \$ bil.)	850.0	884.6	916.4	870.2	881.5	887.8	890.7	901.5	908.4	924.5	932.8	
Per capita disposable income (\$)	4,799	5,418	5,880	5,247	5,374	5,462	5,540	5,665	5,793	5,967	6,089	
Per capita disposable income (1972 \$)	3,988	4,118	4,235	4,062	4,107	4,130	4,135	4,177	4,202	4,268	4,297	
U.S. population, tot. incl. military abroad (mil.)	213.1	214.8	216.4	214.3	214.6	214.9	215.4	215.8	216.2	216.6	217.1	
Civilian population (mil.)	210.9	212.6	214.2	212.1	212.5	212.8	213.2	213.7	214.1	214.5	214.9	

See footnotes at end of next table.

# Selected monthly indicators

Items	January-June average			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100)	113.7	128.3	135.3	130.2	137.0	137.8	138.7	138.2	138.7p	139.1p
Manufacturing (1967=100)	111.8	128.0	135.0	129.8	137.1	137.8	138.5	138.6	138.9p	139.3p
Durable (1967=100)	106.2	119.8	127.0	121.4	129.3	130.5	131.6	131.3	131.8p	131.9p
Nondurable (1967=100)	119.9	139.9	146.6	141.9	148.5	148.4	148.6	149.2	149.3p	149.9p
Leading economic indicators <sup>1, 3</sup> (1967=100)	109.4	123.2	129.3	126.1	130.5	130.1	130.2	132.4	132.9p	133.8p
Employment <sup>4</sup> (Mil. persons)	84.4	87.0	89.7	87.7	90.4	90.7	90.6	90.8	91.1	91.2
Unemployment rate <sup>4</sup> (%)	8.4	7.6	7.2	7.9	6.9	7.1	6.9	7.1	6.9	7.0
Personal income <sup>5</sup> (\$bil. annual rate)	1,219.9	1,352.4	1,497.0	1,414.2	1,517.3	1,524.3	1,539.2	1,548.2	1,560.6	1,580.9p
Hourly earnings in manufacturing <sup>4, 5</sup> (\$)	4.72	5.08	5.51	5.28	5.56	5.60	5.65	5.65	5.74p	5.78p
Money stock (daily average) <sup>2</sup> (\$bil.)	285.2	299.8	317.7	310.4	320.7	321.9	326.8	328.4	330.4	333.7p
Time and savings deposits (daily average) <sup>2</sup> (\$bil.)	429.7	459.0	504.7	477.8	509.2	514.8	519.5	522.5	525.8	532.2p
Three-month Treasury bill rate <sup>7</sup> (%)	5.637	5.061	4.726	4.930	4.942	5.004	5.146	5.500	5.770	6.188
Aaa corporate bond yield (Moody's) <sup>5, 6</sup> (%)	8.79	8.54	8.02	8.32	8.05	7.95	7.94	7.98	7.92	8.04
Interest rate on new home mortgages <sup>5, 7</sup> (%)	9.06	8.94	8.98	9.07	8.96	8.98	9.00	9.02	9.04	9.07p
Housing starts, private (including farm) (thou.)	1,017	1,412	1,832	1,715	1,937	1,897	2,083	2,029	2,063p	2,179p
Auto sales at retail, total <sup>1</sup> (mil.)	8.2	10.2	11.4	9.6	11.5	11.7	10.8	11.5	10.5p	—
Business sales, total <sup>1</sup> (\$bil.)	175.3	196.6	218.6	199.6	221.3	222.2	221.3	223.6p	223.5p	—
Business inventories, total <sup>1</sup> (\$bil.)	282.6	289.1	316.1	305.2	320.5	322.9	324.1	326.8p	329.0p	—
Sales of all retail stores (\$bil.) <sup>4</sup>	46.7	52.3	57.5	54.2	58.0	57.8	58.6	59.0	59.0p	60.0p
Durable goods stores (\$bil.)	14.1	17.1	19.5	17.7	19.5	19.4	19.5	20.0	19.8p	20.6p
Nondurable goods stores (\$bil.)	32.6	35.2	38.0	36.5	38.5	38.4	39.0	39.0	39.2p	39.5p
Food stores (\$bil.)	11.3	12.0	12.8	12.3	13.1	13.0	13.1	13.0	13.1p	13.2p
Eating and drinking places (\$bil.)	4.1	4.7	5.2	4.9	5.3	5.3	5.3	5.4	5.5p	5.5p
Apparel and accessory stores (\$bil.)	2.6	2.7	2.7	2.8	2.7	2.7	2.7	2.8	2.7p	2.8p

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> Moody's Investors Service. <sup>7</sup> Federal Home Loan Bank Board. <sup>8</sup> Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

Items	January-June			1976	1977					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	3.93	4.02	2.83	3.07	2.65	2.56	2.66	2.63	2.78	2.90
Corn, f.o.b. Gulf ports (\$/bu.)	3.12	2.96	2.73	2.79	2.64	2.45	2.25	2.03	2.07	2.17
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	2.92	2.79	2.47	2.58	2.38	2.24	2.06	1.95	2.01	2.11
Soybeans, f.o.b. Gulf ports (\$/bu.)	5.93	5.30	8.70	6.53	9.84	8.50	6.80	6.30	5.36	5.41
Soybean oil, Decatur (cts./lb.)	27.90	16.46	26.31	20.73	31.27	28.34	23.77	21.13	19.17	18.76
Soybean meal, Decatur (\$/ton)	120.93	142.66	233.89	169.60	258.25	225.30	162.00	140.30	143.60	135.00
Cotton, 10 market avg. spot (cts./lb.)	39.21	60.27	70.04	76.98	70.65	61.08	58.18	52.54	49.30	49.10
Tobacco, avg. price of auction (cts./lb.)	105.70	100.63	114.45	112.90	111.09	111.09	96.72	112.36	123.51	113.04
Rice, f.o.b. mill, Houston (\$/cwt.)	22.32	17.33	14.95	14.75	16.25	16.25	16.25	16.05	16.50	18.30
Inedible tallow, Chicago (cts./lb.)	11.13	13.20	14.81	13.00	16.75	14.69	12.88	11.63	11.41	14.03
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	.71	1.23	2.82	1.56	3.05	2.80	2.18	2.02	1.97	1.85
Sugar, N.Y. spot (cts./lb.)	27.67	15.45	11.31	10.65	11.34	10.28	10.15	11.21	10.41	10.24
Cow meat, f.o.b. port of entry (cts./lb.)	56.08	75.27	70.67	64.79	67.95	66.28	64.31	63.01	64.18	66.37
Rubber, N.Y. spot (cts./lb.)	29.40	38.09	40.58	42.28	40.17	39.04	39.38	40.70	44.40	44.51
Cocoa beans, N.Y. spot (\$/lb.)	.75	.86	1.92	1.38	1.96	n.a.	n.a.	2.41	2.50	n.a.
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.62	4.79	5.29	4.80	5.79	5.17	4.24	4.41	4.58	4.68
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.60	1.76	1.76	1.78	1.76	1.83	1.90	1.92	1.92	1.92
Quantity indices										
Export (1967=100)	149	172	176	201	179	159	158	150	173	n.a.
Import (1967=100)	116	142	146	122	139	143	128	128	139	n.a.
Unit Value Indices										
Export (1967=100)	229	204	223	211	232	222	208	194	189	n.a.
Import (1967=100)	232	181	248	239	263	263	230	228	213	n.a.

n.a. not available.



# U.S. agricultural exports

Selected commodities	October-September				September			
	1975/76	1976/77p	1975/76	1976/77p	1976	1977p	1976	1977p
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	134,960	101,400	—	—	12,864	11,888
Meat and preps., excl. poultry (lb.)	824,993	921,428	591,652	608,458	73,871	87,464	49,561	58,338
Dairy products, excl. eggs	—	—	130,609	171,252	—	—	8,491	17,033
Poultry and poultry products	—	—	234,873	302,358	—	—	22,129	27,382
Grains and preparations	—	—	11,539,037	9,274,996	—	—	914,741	769,759
Wheat and wheat flour (bu.)	1,134,688	921,276	4,740,890	3,003,135	116,409	113,545	431,929	319,975
Rice, milled (lb.)	4,305,520	4,914,938	607,178	688,678	319,658	468,150	44,933	69,471
Feed grains (metric ton)	49,855	50,602	5,966,374	5,345,299	3,589	4,119	423,705	361,277
Other	—	—	224,595	237,884	—	—	14,174	19,036
Fruits, nuts, and preparations	—	—	937,205	1,027,179	—	—	90,855	111,006
Vegetables and preparations	—	—	594,582	697,161	—	—	42,309	41,677
Sugar and preps., incl. honey (lb.)	458,688	461,227	85,326	68,763	31,717	37,854	5,875	6,496
Coffee, tea, cocoa, spices, etc. (lb.)	86,063	98,534	90,508	144,204	6,531	9,183	8,328	10,578
Feeds and fodders	—	—	1,224,362	1,585,610	—	—	103,486	106,963
Protein meal (short ton)	5,368	4,780	843,530	965,179	369	325	65,982	56,442
Beverages, excl. distilled alcoholic (gal.)	7,361	14,344	15,110	27,539	781	1,436	1,640	2,654
Tobacco, unmanufactured (lb.)	601,604	651,702	929,401	1,084,663	48,948	66,843	80,246	119,697
Hides, skins, and furskins	—	—	625,619	797,815	—	—	49,959	56,087
Oilseeds	—	—	3,268,921	4,642,611	—	—	159,372	152,928
Soybeans (bu.)	553,006	556,876	3,038,260	4,306,554	22,186	14,992	151,473	113,591
Wool, unmanufactured (lb. grease basis)	1,688	424	1,968	771	4	40	63	79
Cotton, unmanufactured (running bale)	3,212	4,330	910,003	1,528,814	342	200	115,412	67,006
Fats, oils, and greases (lb.)	2,306,276	3,083,433	405,958	579,910	199,411	310,438	34,268	60,253
Vegetable oils and waxes (lb.)	2,128,362	2,696,113	557,612	766,467	215,078	186,836	56,847	58,456
Rubber and allied gums (lb.)	43,491	47,930	22,258	25,830	4,503	6,144	2,119	3,283
Other	—	—	460,441	577,592	—	—	38,322	52,286
Total	—	—	22,760,405	24,013,393	—	—	1,796,887	1,733,849

p Preliminary.

# U.S. agricultural exports by regions

Region <sup>1</sup>	October-September		September		Change from year-earlier	
	1975/76	1976/77p	1976	1977p	Oct-Sept 1976/77p	September 1977p
	\$ Mil.				Pct.	
Western Europe	7,309	8,759	574	579	+20	+1
Enlarged European Community	5,854	7,099	482	468	+21	-3
Other Western Europe	1,455	1,660	92	110	+14	+20
Eastern Europe and USSR	2,760	1,700	151	61	-38	-60
USSR	1,853	1,063	45	22	-43	-51
Eastern Europe	907	636	105	39	-30	-63
Asia	7,433	8,023	646	542	+8	-16
West Asia	823	1,097	68	102	+33	+50
South Asia	1,135	683	130	16	-40	-88
Southeast Asia, ex. Japan and PRC	2,065	2,467	210	213	+19	+1
Japan	3,408	3,773	238	209	+11	-12
Peoples Republic of China	2	1	( <sup>2</sup> )	1	-50	—
Latin America	2,090	2,130	122	224	+2	+84
Canada, excluding transshipments	1,430	1,586	133	124	+11	-7
Canadian transshipments	480	323	46	30	-33	-35
Africa	1,142	1,347	111	156	+18	+41
North Africa	700	782	66	86	+12	+30
Other Africa	442	565	45	71	+28	+58
Oceania	117	146	13	18	+25	+38
Total <sup>3</sup>	22,760	24,013	1,797	1,734	+6	-4

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Less than \$500,000. <sup>3</sup> Totals may not add due to rounding. p Preliminary

## U.S. agricultural imports

Selected commodities	October-September				September			
	1975/76	1976/77p	1975/76	1976/77p	1976	1977p	1976	1977p
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	205,736	236,047	—	—	12,089	23,595
Meat and preps., excl. poultry (lb.)	1,879,780	1,724,971	1,435,232	1,289,144	175,345	166,998	125,942	111,141
Beef and veal (lb.)	1,487,099	1,367,105	902,280	820,825	147,590	142,098	91,260	76,630
Pork (lb.)	326,651	310,647	483,091	428,224	21,342	21,871	29,877	31,531
Dairy products, excl. eggs	—	—	259,971	301,365	—	—	25,477	26,144
Poultry and poultry products	—	—	38,626	82,047	—	—	4,851	7,958
Grains and preparations	—	—	175,851	171,655	—	—	15,011	15,678
Wheat and flour (bu.)	838	1,314	3,165	3,403	2	1	23	6
Rice (lb.)	2,976	3,836	797	714	68	347	23	52
Feed grains (metric ton)	308	266	51,098	36,366	20	9	3,265	1,073
Other	—	—	120,791	131,172	—	—	11,700	14,547
Fruits, nuts, and preparations	—	—	714,830	911,538	—	—	66,202	81,226
Bananas (lb.)	4,548,011	4,628,210	264,488	309,704	384,492	351,060	25,352	23,121
Vegetables and preparations	—	—	437,403	616,123	—	—	27,828	38,050
Sugar and preps., incl. honey	—	—	1,457,400	1,104,735	—	—	146,597	115,466
Sugar, cane or beet (short ton)	4,326	5,015	1,248,126	915,696	580	593	132,825	100,644
Coffee, tea, cocoa, spices, etc. (lb.)	4,011,640	3,435,273	3,226,632	5,586,404	242,136	160,095	244,094	304,907
Coffee, green (lb.)	2,637,360	2,165,784	2,234,080	3,974,216	126,509	89,696	151,878	176,283
Cocoa beans (lb.)	609,661	425,790	382,811	475,229	44,007	13,937	30,949	25,287
Feeds and fodders	—	—	57,129	68,216	—	—	6,835	4,279
Protein meal (short ton)	36	26	4,593	4,957	2	( <sup>1</sup> )	263	105
Beverages, excl. distilled alcoholic (gal.)	126,727	151,865	431,533	545,175	11,877	14,905	38,727	58,084
Tobacco, unmanufactured (lb.)	326,287	324,775	278,769	338,957	28,974	33,919	26,554	38,994
Hides, skins, and furskins	—	—	199,638	211,640	—	—	13,330	16,872
Oilseeds	—	—	68,568	89,365	—	—	6,671	4,472
Soybeans (lb.)	12	149	6	17	1	0	1	0
Wool, unmanufactured (lb. grease basis)	81,651	76,803	82,852	92,434	5,612	3,264	6,566	4,790
Cotton, unmanufactured (running bale)	107	109	25,672	17,453	8	3	2,504	736
Fats, oils, and greases (lb.)	25,326	21,628	5,651	5,001	1,782	1,784	304	493
Vegetable oils and waxes (lb.)	2,615,121	2,200,458	465,889	545,004	212,047	142,469	41,445	41,100
Rubber and allied gums (lb.)	1,646,642	1,732,237	492,898	626,519	151,499	171,549	55,957	62,294
Other	—	—	453,318	543,114	—	—	45,420	56,441
Total	—	—	10,513,598	13,381,936	—	—	912,404	1,015,720

<sup>1</sup> Less than 500,000. p Preliminary.

## Trade balance

Items	October-September		September	
	1975/76	1976/77p	1976	1977p
	\$ Mil.			
Agricultural exports <sup>1</sup>	22,759	24,014	1,797	1,734
Nonagricultural exports <sup>2</sup>	90,032	96,354	7,369	8,624
Total exports <sup>2</sup>	112,791	120,368	9,166	10,358
Agricultural imports <sup>3</sup>	10,515	13,383	914	1,016
Nonagricultural imports <sup>4</sup>	103,996	130,086	9,577	11,522
Total imports <sup>4</sup>	114,511	143,469	10,491	12,538
Agricultural trade balance	12,244	10,631	883	718
Nonagricultural trade balance	-13,964	-33,732	-2,208	-2,898
Total trade balance	-1,720	-23,101	-1,325	-2,180

<sup>1</sup> Domestic exports (F.A.S. value). <sup>2</sup> Domestic and foreign exports excluding Department of Defense shipments, (F.A.S. value). <sup>3</sup> Imports for consumption (customs value). <sup>4</sup> General imports, (customs value). p Preliminary.

## U.S. agricultural trade

Item	Year beginning October 1					
	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76
	\$ Bil.					
Agricultural:						
Exports	7.96	8.24	14.98	21.61	21.85	22.76
Imports	6.13	5.94	7.74	10.06	9.47	10.52
Trade balance	1.83	2.30	7.24	11.55	12.38	12.24

# World Agricultural Production

## World supply and utilization of major crops

Commodity	1971/72	1972/73	1973/74	1974/75	1975/76 <sup>1</sup>	1976/77 <sup>2</sup>	1977/78 <sup>2</sup>
	Mil. units						
<b>Wheat:</b>							
Area (hectare) . . . . .	212.8	210.8	216.5	220.5	225.8	232.4	228.5
Production (metric ton) . . . .	348.2	343.3	371.6	356.4	349.3	413.2	381.6
Exports (metric ton) . . . . .	55.6	70.8	72.6	68.0	73.1	64.2	75.1
Consumption (metric ton) <sup>3</sup> . . .	341.4	361.2	363.5	362.7	352.2	374.7	394.5
Ending stocks (metric ton) <sup>4</sup> . .	78.8	61.0	69.1	62.6	59.6	98.1	85.3
<b>Coarse grains:</b>							
Area (hectare) . . . . .	340.9	338.0	351.3	349.2	354.9	357.4	359.8
Production (metric ton) . . . .	621.9	602.7	660.9	620.4	634.4	690.4	684.6
Exports (metric ton) . . . . .	55.5	69.0	80.9	69.5	88.5	85.1	84.8
Consumption (metric ton) <sup>3</sup> . . .	608.6	620.5	665.3	624.2	634.2	671.2	676.2
Ending stocks (metric ton) <sup>4</sup> . .	78.4	60.6	56.2	52.1	52.2	71.4	79.8
<b>Rice, rough:</b>							
Area (hectare) . . . . .	131.6	130.9	135.1	137.2	142.2	140.8	141.9
Production (metric ton) . . . .	314.5	303.7	342.9	330.0	353.9	340.0	350.5
Exports (metric ton) . . . . .	12.0	12.0	11.4	11.3	11.9	12.8	12.9
Consumption (metric ton) <sup>3</sup> . . .	318.7	311.1	321.5	331.5	345.1	343.5	349.6
Ending stocks (metric ton) <sup>4</sup> . .	23.4	15.1	18.5	17.7	26.6	23.1	24.0
<b>Total grains:</b>							
Area (hectare) . . . . .	685.3	679.7	702.9	706.9	722.9	730.6	730.2
Production (metric ton) . . . .	1,284.6	1,249.7	1,375.4	1,306.8	1,337.6	1,443.6	1,416.7
Exports (metric ton) . . . . .	123.1	151.8	164.9	148.8	173.5	162.1	172.8
Consumption (metric ton) <sup>3</sup> . . .	1,268.7	1,292.8	1,350.3	1,318.4	1,331.5	1,389.4	1,420.3
Ending stocks (metric ton) <sup>4</sup> . .	180.6	136.7	143.8	132.4	138.4	192.6	189.1
<b>Oilseeds and meals:<sup>5</sup> <sup>6</sup></b>							
Production (metric ton) . . . .	55.9	57.6	68.3	64.4	72.7	66.3	78.8
Trade (metric ton) . . . . .	25.6	25.6	27.3	27.6	33.6	32.7	35.8
<b>Vegetable fats and oils:<sup>6</sup></b>							
Production (metric ton) . . . .	27.8	27.3	30.8	30.5	33.3	31.3	36.0
Trade (metric ton) . . . . .	9.1	9.2	9.5	10.0	11.7	12.1	13.2
<b>Cotton:</b>							
Area (hectare) . . . . .	33.2	33.6	32.8	33.4	30.0	31.3	32.6
Production (bale) . . . . .	59.8	63.0	63.2	64.3	54.1	58.0	64.8
Exports (bale) . . . . .	18.6	21.0	19.6	17.3	19.0	18.1	18.6
Consumption (bale) . . . . .	58.3	60.0	62.0	58.5	62.1	61.2	61.4
Ending stocks (bale) . . . . .	21.1	23.7	25.1	30.1	22.2	18.7	22.3

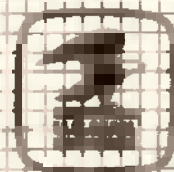
<sup>1</sup> Estimate. <sup>2</sup> Forecast. <sup>3</sup> Where stock data not available (excluding USSR), consumption includes stock changes. <sup>4</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>5</sup> Soybean meal equivalent. <sup>6</sup> Calendar Year data. 1972 data corresponds with 1971/72, 1973 data with 1972/73, etc..



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